

234094

JPRS-WER-85-059

15 July 1985

# West Europe Report

DISTRIBUTION STATEMENT A  
Approved for public release;  
Distribution Unlimited

19980605 119

DTIC QUALITY INSPECTED 3

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

Reproduced From  
Best Available Copy

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

4  
173  
A08

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

15 July 1985

## WEST EUROPE REPORT

## CONTENTS

## POLITICAL

## BELGIUM

- PCB's Van Geyt on Party's Role, Finances, Stands  
(Louis Geyt Interview; LE SOIR, 6 Jun 85)..... 1

## CYPRUS

- U.S. Accused of Arrogance, Responsibility in Invasion  
(Editorial, Savvas Iakovidis; I SIMERINI, 26 May 85)..... 6

## DENMARK/GREENLAND

- Parliamentary Debate on U.S. Bases Postponed Until Fall  
(GRONLANDSPOSTEN, 29 May 85)..... 8
- Atassut Congress Elects Otto Steenholdt New Chairman  
(GRONLANDSPOSTEN, 29 May 85)..... 10

## FEDERAL REPUBLIC OF GERMANY

- Possibility of Schily's Shift From Greens to SPD Explored  
(Gisbert Kuhn; RHEINISCHER MERKUR/CHRIST UND WELT,  
25 May 85)..... 12
- Coalition, SPD Support Move for Capital Gains Tax Reform  
(WIRTSCHAFTSWOCHE, 24 May 85)..... 15
- Election Losses Spur CDU Search for Economic Recovery Policy  
(Peter Christ; DIE ZEIT, 31 May 85)..... 17
- Employment, Investment Stimulation Concepts Still Unclear  
(WIRTSCHAFTSWOCHE, 24 May 85)..... 21

## FINLAND

Majority Communists Emerge Triumphant at SKDL Congress (HELSINGIN SANOMAT, various dates).....	24
Kivisto Praises Center-Left Government, by Kyosti Karvonen Anna-Riitta Sippola	24
CP Internal Fight Reflected, by Kyosti Karvonen, Anna- Riitta Sippola	26
Youth Little in Evidence	27
Moderates Grab Key Positions, by Kyosti Karvonen, Anna-Riitta Sippola	29
CP Rift's Effects Weighed, Editorial	35
Papers View Neutrality Issue Debate (Editorial; HUFVUDSTADSBLADET, 6 Jun 85).....	37
Youth Attitudes Toward Soviet Union Viewed (Bjorn Mansson; HUFVUDSTADSBLADET, 6 Jun 85).....	40
Paper Sees Some Merit in View Finland Tilting More to USSR (Editorial; DAGENS NYHETER, 16 Jun 85).....	43

## GREECE

ND Requests Explanations on Increased Voters Lists (I KATHIMERINI, 14 Jun 85).....	45
Eastern Bloc Interest in Mount Athos Questioned (ENA, 16 May 85).....	47
Government Expresses Reservations About Weu (Kostas Kekis; I KATHIMERINI, 12 Jun 85).....	50
Briefs Yugoslav Protest	52

## NORWAY

Fringe Parties Search for Election Pacts, Complicate Campaign (AFTENPOSTEN, 11 Jun 85).....	53
Labor, Conservative Strategies Frustrated, by Helge Seip	53
Communist Party Hunting Alliances	55

## PORTUGAL

Popularity of President Shows Slight Decline (O JORNAL, 31 May 85).....	56
--	----



New Poll Shows Freitas do Amaral Ahead of Pintasilgo (SEMANARIO, 25 May 85).....	58
Surprising Turn of Events	58
Comment on Soares Decline, Editorial, by Victor Cunha Rego	63
U.S. Urged To Distinguish Nation From Any Party, Personality (Jaime Nogueira Pinto; O DIABO, 14 May 85).....	66
Comments on Possible Costa Bras Presidential Candidacy (TAL & QUAL, 17 May 85).....	68
Sousa e Castro Supports Candidacy of Pintasilgo (Aurea Sampaio; DIARIO DE LISBOA, 31 May 85).....	71
Pintasilgo To Announce Candidacy Second Half of July (Joaquim Fidalgo; EXPRESSO, 18 May 85).....	74
601 Polled on Opinion of Post-Revolutionary Era (Margarida Viegas; SEMANAIRIO, 27 Apr 85).....	76
Briefs	
Freitas do Amaral Termed Winner	118
People Disdain Police	118

#### SWEDEN

KDS Leader Views Party's Role in Nonsocialist Coalition (Dick Ljungberg; DAGENS NYHETER, 15 Jun 85).....	119
Economic Policy Expected To Dominate Summer Campaign Stage (Vesa Santavuori; HELSINGIN SANOMAT, 12 Jun 85).....	121
Briefs	
Schori Attacks U.S. on Nicaragua	123

#### MILITARY

#### FEDERAL REPUBLIC OF GERMANY

Air Force Promoting Youth Interest in Aviation Sport (Alexander Szandar; SUEDEDEUTSCHE ZEITUNG, 10 May 85).....	124
Bundeswehr Chief Sees Need for Women Volunteers (SUEDEDEUTSCHE ZEITUNG, 17 May 85).....	126
Number of Annual Reserve Training Slots To Be Increased (BUNDESWEHR AKTUELL, 2 May 85).....	127

## GREECE

- Arms Sales to Libya, Syria Arouse Suspicion  
(ENA, 23 May 85)..... 128
- Military Service Decreased, New Regulations Set  
(TO VIMA, 9 May 85)..... 130

## NORWAY

- Air Force Pilot Drain Could Have Serious Consequences in Crisis  
(Editorial; AFTENPOSTEN, 11 Jun 85)..... 132

## PORTUGAL

- Briefs
- Army, Navy Promotions Announced 134

## SWEDEN

- Widespread Disillusionment Found Among Conscripts  
(Emily von Sydow; SVENSKA DAGBLADET, 3 Jun 85)..... 135
- Briefs
- Bofors Halting Robot-70 Production 139

## ECONOMIC

### EUROPEAN AFFAIRS

- Ecu Gaining Acceptance; FRG, UK Still Skeptical  
(WIRTSCHAFTSWOCHE, 10 May 85)..... 140
- Ecu's International Acceptance Grows 140
- Bundesbank States Position 146
- Delors Urges Ecu Recognition, Jacques Delors Interview 148

## CYPRUS

- Briefs
- Balance of Trade Deficit Up 151

## FINLAND

- Finnish-Built Railcar Facility in USSR May Ease Stock Shortage  
(Kalle Heiskanen; HELSINGIN SANOMAT, 13 Jun 85)..... 152
- Country's Firm Wins Orders for Large Projects in USSR  
(Kalle Heiskanen; HELSINGIN SANOMAT, 14 Jun 85)..... 154

Soviets Hold Out Prospects for Kola Mineral Projects (Kalle Heiskanen; HELSINGIN SANOMAT, 12 Jun 85).....	157
--	-----

#### GREECE

Balance of Payments: Disappointing Results (I KATHIMERINI, 14 Jun 85).....	159
Statistics Show Increase in Workers' Wages (I KATHIMERINI, 18 May 85; TO VIMA, 11 May 85).....	161
Wages Increase	161
Wage Indexation	161

#### ENERGY

#### GREECE

Energy Consumption Rose in 1984 (TO VIMA, 17 May 85).....	162
--	-----

#### NORWAY

Country Lagging Behind Fellow Nordics in Energy Conservation (Georg Parmann; AFTENPOSTEN, 11 Jun 85).....	163
--	-----

POLITICAL

BELGIUM

PCB'S VAN GEYT ON PARTY'S ROLE, FINANCES, STANDS

Brussels LE SOIR in French 6 Jun 85 p 2

[Interview with Louis Geyt, Belgian Communist Party president, by Beatrice Delvaux, Catherine Ferrant and Francis Unwin; date and place not specified]

[Text] [Question] The communist party loses votes and seats in every election. Its perspectives hardly seem very good. How do you explain this development and how do you see the future?

[Answer] Until very recently the slippage was unquestionable. It is also very logical: we represent the brightest image, the clearest of the movements of struggle, the expression of whose sentiments has been rendered more and more difficult by the crisis, and by the actions of the center-right government. From the very beginning, as a party, we were the only ones to swim against the current of oppressive policies, the only ones to contend that the struggle against unemployment was not going to be swept aside in the general acceptance of austerity measures, and that this austerity favored the monopolistic enterprises, the big money. Today experience has given us a wider hearing. Our enlightened approach to the fight against the arms race has also prompted young leftists, who had misgivings before, to return to us.

[Question] Don't the internal quarrels that one senses within your party, the debates on fundamental issues that sometimes seem to be tearing it apart, drive away a certain number of people?

[Answer] At each congress, arguments do burst out, and we do not hide them. Besides, it is more a question of different sensitivities, different conceptions of what is important, than of fundamental differences of opinion. Some people want to prioritize the concrete and immediate political options; others--the majority--insist on the fact that our principal reference must remain the facts of history.

[Question] You agree with the position of Georges Marchais, for whom the USSR offers a "globally positive" balance-sheet?

[Answer] I would not use that expression. I believe that it is fruitless to make a list, two columns, a positive balance-sheet of profits and losses. What may indeed be said is that today the USSR and its allies, with their lights and shadows, are an effective counterbalance to the most outstanding imperialistic power.

Imperialism = Expansionism?

[Question] The most outstanding imperialistic power? Are there others?

[Answer] Let us say that in our terminology the notion of imperialism includes that of capitalism, to the extent that it is the capitalist nations that have taken part in dividing up the world. There is a distinction to be made between imperialism and expansionism.

[Question] Does this distinction apply to the USSR?

[Answer] On the one hand, it is the counterbalance I just mentioned that has contributed to the access enjoyed by third-world nations to the role of national powers. Today, a country like India, for example, is taking advantage of this counterbalance. On the other hand, the USSR has at times appeared far too much the chief power, the great pivotal power of a bloc. For example, by countering the double decision of NATO (Editor's note: the installation of euromissiles and the offer to negotiate from a basis of "reestablished" balance) with the invasion of Afghanistan.

[Question] Precisely, Afghanistan.

[Answer] We very clearly expressed our disapproval. The intervention was all the more detrimental in that it could not fail to affect the relationships of the USSR with the non-aligned nations and with the forces of progress. It culminated in the wasps' nest in which the Soviet forces now find themselves. It jeopardizes the image of existing socialism--which we do not consider as a model. And it has created favorable ground for a cold war. We thus favor a Soviet pull-out. But faced with the manner in which the situation was used by Washington and its allies, notably in Pakistan, we, too, feel that it is legitimate not to transform Afghanistan into an anti-Soviet bastion. We therefore request --and in this we are in agreement with the movement of the non-aligned nations --that there be a negotiated peace.

The Soviet Millstone

[Question] Then there is Czechoslovakia and Poland. You must have the impression that the Soviet millstone is weighing very heavily around your neck?

[Answer] The USSR is in no way our model. We place ourselves in a perspective of non-alignment. It is not a question of crossing over from one bloc to the other, but of trying to create in Europe a "non-aligned" sector as wide as possible. Our party is an independent party, fundamentally closer to the forces of liberation than to those that do battle against them. The question of our "ties" with Moscow has never again been held against us, except very recently, under the influence of Reagan's Manichaeism. As far as the rights of man are concerned, we feel that the Soviet communists were not attentive enough to the situation which was to be revealed at the Twentieth Congress of the PCUS [Communist Party of the Soviet Union]. One can only have a negative reaction to the attacks on freedom. I should like to remind you that in 1954, two years before the Twentieth Congress, we ourselves had our own Eleventh Congress at Vilvorde, which marked our break with sectarian trends. There we had stressed the enormous importance of the democratic experience achieved in a country like

ours. Now as far as Czechoslovakia is concerned, we expressed our disapproval from the very first day. We also stated from the beginning that this disapproval could not lead to a renewal of the cold war, that the bridges were not to be cut between the East and the West, for that could only contribute to reemphasizing the contradictions between the blocs and to slowing down the necessary development toward a greater expansion of the socialist world. For Poland, too, our attitude is extremely clear. The suppression of the freedom of trade unions and the proclamation of the state of siege were both bad choices. There are convergent efforts by important currents of power, such as Church forces and former "Solidarnosc" partisans, to try to seek out solutions that conform with the aspirations of the Polish people and favor international détente.

[Question] How does your party finance its activities, its operative machinery?

[Answer] In your financial survey, I quoted a figure, and the "confessions" of other parties have made me think that I was the only one who was really sincere. I am ready to open up all my books, within the framework of an investigation in which each party would agree to do the same. I am not going to mount the barricades alone and expose myself to biased criticism. I will tell you, however, that we obtain money by means of certain economic activities. Logically, it is to the advantage of firms that carry on regular business dealings with the countries of the Eastern bloc, to help a party like ours in its struggles against the walling-off of the East from the West. It is a kind of patronage which in no way compromises our independence.

[Question] Let us talk strategy. It has been said that you prioritize the combat within business firms and land issues by means of the unions and locally based movements, for example with respect to the official and political representation in the strict sense. Is that correct?

[Answer] No! We have always deemed it necessary to relate mobilization in the actual movement--its enterprises, youth groups, women--with a certain presence within the officialdom where decisions are made, such as parliament and communal councils. But the present government practices a policy that thrusts the elected assemblies aside. Even then, parliamentary action, for example, loses its effectiveness. In addition, we have lost a number of our representatives in recent years.

Yes to the Government

[Question] Your party, therefore, is a candidate for government?

[Answer] A candidate for participation in government, even as a modest force! We can make a contribution to a progressive majority, determined to break with the policy of alignment with the United States and with the non-liberal dogma which leaves the absolute priority to the choices of the great private groups.

[Question] Do you see any allies in Belgium for such a policy?

[Answer] The Socialist Party (PS) has certainly been very clear on the question of the missiles, but on the socio-economic level it is at times inconsistent and ambiguous. On the French-speaking side, the PS is still more worthy

of criticism, it seems to me. And on the union side, we have certainly made contacts with the FGTB [General Federation of Labor of Belgium]. But on the Christian side, and especially in Flanders, the worker movement remains bound up with the CVP [Social Christian Party]. As for ECOLO, certain people in that party deny that they are leftists, feeling that they are outside this debate or desirous of keeping a moderate electorate happy. But on the long term, it is unthinkable for them not to make a choice. If one wishes to change political sides in Belgium, very broad alliances must be formed, grouping together the full range of progressive, secular and Christian forces. To arrive at this point, large coalitions, claiming leftist leanings, would have to be led by their internal debate to propose to the nation a number of clearer options, thus subjecting to scrutiny the present directions.

The Communists, a Foil?

[Question] Aren't the communists acting as a foil in this debate?

[Answer] For the right, it may be useful to lump together the communists and certain agitators who claim alliance with the extreme left, even though we categorically repudiate violence and terrorist activities. This mixture of different elements is not only false, but also dangerous. We are democrats. And we have our contribution to make to the left. The fact of excluding us, whether out of self-interest or fear or ignorance, represents a failure for all the forces of progress.

Immigration: a Thankless Task

[Question] What is unique about the communists? Are there things that you do, ideas that you defend, that are not shared by others?

[Answer] I shall reply by giving you an example: the question of immigration to Brussels. The ECOLO voters, for example, are sensitive to anti-racist talk and ideas, but the audience they address is not exactly impressed by the crisis. As for us, in this area we try to make our concern the most underprivileged classes, who, being the most affected by the crisis, are also the most exposed to racial prejudice. Our calling is to carry the anti-racist message to those classes, a task that is particularly thankless, but also indispensable. We must explain to the underprivileged classes that it is to their advantage to protect themselves from racism. Who besides us does this so clearly?

[Question] You don't define yourselves as extreme leftists?

[Answer] No, we are the consistent left, the transforming left. I avoid the term "revolutionary," because we do not preach revolution by armed insurrection. We have a resolutely democratic, constructive vocation.

CCC, Extreme Right: Same Battle

[Question] You categorically reject the actions of the CCC [Combatant Communist Cells], which choose the same designation as you?

[Answer] Absolutely! Besides, it has not been proven that there is no bond between the extreme right and this "extreme left." That was seen in Italy.

And I reproach security officials for closing one eye to this situation, for not systematically looking on both sides, and for counting on the general disorder, to foster the confusion between these violent extremists and the left.

[Question] On the strictly political level, on the Belgian level, what are the specific positions of the PCB [Belgian Communist Party]?

[Answer] We were the first to declare ourselves in favor of a broad federalization of Belgium, the first to advocate a regional autonomy which would go so far as a certain transfer of fiscal power, even implying that taxes will differ from one region to the other. In addition, we applied that analysis to our own structures, since we have been federated for a good long while. And this does not prevent us from having a common vision regarding most problems?

[Question] Even on the question of the [city] limits of Brussels?

[Answer] No. The French-speaking people of Brussels desire the democratic consultation of the people concerned. The Flemings feel that each entity must be mistress of its own territory. But everyone in Brussels feels that, to get out of the present stalemate, we must put an end to turning the question of the city limits into a prerequisite for every general discussion.

[Question] What about you, are you French or Flemish?

[Answer] I am the president. I try to bring the different points of view together.

8117

CSO: 3619/75



POLITICAL

CYPRUS

# U.S. ACCUSED OF ARROGANCE, RESPONSIBILITY IN INVASION

Nicosia I SIMERINI in Greek 26 May 85 p 3

[Editorial by Savvas Iakovidis: "The Empire's Scales"]

[Excerpts] The Americans have two serious faults, aside from many others: They are conceited and arrogant because of power and they are short-sighted because of the Empire Building syndrome.

From the height of the Empire, they trace the world's course. And they believe that everyone, just about, is eating green caviar. They value almost everything in terms of money. Richard Burt is one of those cold, relentless and insolent State Department bureaucrats. His provocative statements from time to time are well known. And his occasional odd and arrogant behavior toward Greece and Cyprus is also registered.

On the U.S. stock exchange of values, human rights do not count. Nor does the desire of peoples for freedom and a decent life, with respect for elementary rights, count. We will not concern ourselves with Turkey. We will confine ourselves to Cyprus. Here an invasion by one NATO member-country and faithful ally of the United States occurred. The U.S. federation boasts that it is presumably the protector and defender of human rights. It appears, however, that this protection and defense is distinguished by an unprecedented selectivity.

Thus, in the case of Cyprus, Washington neither condemned nor dared to say even one word about the barbarities committed by the Turkish invaders here. On the contrary, with billions of dollars, it increases and strengthens the oppressive measures of the Turkish regime in Turkey and encourages perpetuation of the occupation of half of Cyprus.

Included within these frameworks is the well-known Reagan proposal for creation of a 250-million-dollar fund to indemnify those Cypriot refugees who will not be returning. Reagan believes that the refugees' right to return, the properties, the graves of their fathers, the memories, history, the ground which is watered with blood and sweat, and their roots are expropriated, forgotten, erased, sold off, with 250 million dollars....

But even if the fund operates, even if the Cyprus problem--which does not seem solvable--is solved, and even if the Cypriots' rights and laws come under the hammer, the Americans will have lost a greater "battle": the battle of hearts.

Already the majority of Cypriots support and believe that the United States is directly or indirectly responsible for the Turkish invasion on Cyprus. As they also believe that, if the United States wished, the Cyprus problem would already be justly and peacefully solved.

The Turks, however, are continually proceeding to new faits accomplis. And the Americans tell us that, after Denktas is done--or, rather, after he finishes Cyprus--then he will talk. The Americans are doing something else too: They are holding a scale, and from the height of Empire Building they are weighing not human rights, not the rights of the peoples, but their cruel and gloomy interests. We are not ignorant of the fact that we are living in a cruel and gloomy world. But, since the United States is the so-called free world, it ought to show and to prove that it is, and appears to be, truly a champion of freedom and the rights of peoples. A thing which, unfortunately, it is not doing....

9247

CSO: 3521/274

POLITICAL

DENMARK/GREENLAND

PARLIAMENTARY DEBATE ON U.S. BASES POSTPONED UNTIL FALL

Godthaab GRONLANDSPOSTEN in Danish 29 May 85 p 4

[Text] There will be no base debate in this session of parliament. Inuit Ataqatigiit [pan-Eskimo party] is satisfied that its questions will have to wait until the fall session.

There will be no base debate in this session of parliament, even though Henriette Rasmussen of Inuit Ataqatigiit (IA) had planned discussions of various questions along those lines. Jens Geisler of IA agreed on the first day of the session to wait until high-level discussions have been held this summer and then bring the matter up again in the fall session. Henriette Rasmussen had originally proposed that a supervisory body for the American bases be set up. She had also questioned whether the change in the warning system at the Thule base fell within the defense agreement between Denmark and the United States.

No Reply

There has been no response to this question. It is true that the Greenland government's secretariat has asked the Greenland Affairs Ministry for an evaluation, but in spite of reminders no reply has been received yet.

The question of setting up a supervisory body has already been discussed in last fall's session of parliament. It was determined then that there were no real information delays.

It was also pointed out then that government chairman Jonathan Motzfeldt has agreed to hold informal meetings with all three parliamentary parties so that he can quickly pass on the things he learns at the so-called national meetings.

Summer Meetings

In the parliamentary discussion Jonathan Motzfeldt also said that it is too soon to hold a debate at this time.

He pointed out that contacts have been agreed to between the Danish Foreign Ministry and the Americans and that the American ambassador in Copenhagen is scheduled to visit Nuuk later this year.

"More discussions are needed before we can take the matter up in parliament," said Jonathan Motzfeldt, who was supported on this point by Otto Steenholdt of Atassut [moderate party].

6578

CSO: 3613/161

POLITICAL

DENMARK/GREENLAND

# ATASSUT CONGRESS ELECTS OTTO STEENHOLDT NEW CHAIRMAN

Godthaab GRONLANDSPOSTEN in Danish 29 May 85 p 10

[Text] It is hard to back a particular Danish party, but he is open for technical election cooperation with the government, according to the new Atassut [moderate party] chairman Otto Steenholdt.

"We are a Greenland party that represents Greenland," newly-elected Atassut chairman Otto Steenholdt emphasized. Atassut held its national congress a short time before the Greenland parliament met.

At the congress in Nuuk the party's entire executive committee was replaced and Danish Folketing member Otto Steenholdt replaced Daniel Skifte as party chairman. The reason for this turnover, according to Steenholdt, is that the "old people" have many other things to do.

In Danish politics the party is on the right-hand side of the spectrum. Starting at the right end of the Social Democratic Party and moving toward the right wing. "We take part in all the political work in Denmark and support the government," Otto Steenholdt said. Atassut is prepared to take part in a technical election cooperation with the nonsocialist government.

## Every 4 Years

The Atassut congress decided that there should continue to be 4 years between party congresses. At the press conference following this congress, Konrad Steenholdt said that the group had decided to keep holding the congresses at 4-year intervals, instead of every 2 years as proposed, for two reasons. For one thing, frequent congresses could change the party's program of principle which the party's politicians must adhere to and for another, more frequent national congresses would be a drain on party finances.

Atassut criticized the Greenland government's takeover of Proex. The party felt that Copenhagen had just been replaced by Nuuk and that the production committees are not competent in this area.

## Monopoly Rejected

With regard to alcohol policy, Atassut rejected the idea of a monopoly.

"We need a goal-directed policy," said member of parliament Peter Ostermann. "That was the problem with the point system, that it was not a goal-directed policy."

It is a question of whether rationing should be reintroduced. The Atassut congress did not issue any directives about how to deal with alcohol policy. It is up to the parliamentary group to discuss this issue.

The new Atassut chairman, Otto Steenholdt, also made a violent attack on Siumut [socialist party]. He accused the party of making political appointments and persecuting people who belong to Atassut. Without presenting any evidence Otto Steenholdt charged that Siumut passes over Atassut members when it makes appointments.

6578

CSO: 3613/161

POLITICAL

FEDERAL REPUBLIC OF GERMANY

# POSSIBILITY OF SCHILY'S SHIFT FROM GREENS TO SPD EXPLORED

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 25 May 85 p 5

[Article by Gisbert Kuhn: "Chaos Makes The Star Uncomfortable"]

[Text] After the SPD triumph in Northrhine-Westphalia, the games in the sandbox are no longer quite so exciting. But prior to this, they were actually quite justified: "Schily -- minister for justice in Boerner's Hessian cabinet?", or "Engholm: Schily conceivable as minister of the interior in Kiel?"

The Greens, however, are no longer so terrifically attractive to the SPD as a possible coalition partner after their two defeats in the Saarland and in Northrhine-Westphalia. Even less so, as the sunflower party is digesting its defeats with bickering, squabbling and excessive introspection -- even more so than has been the case up till now. This state of affairs is opposed --in an increasingly critical and opalescent way, by Otto Schily, a man whose problem, according to the diagnosis of Antje Vollmer, who is both Schily's party colleague and his bitter party opponent, lies in the fact that "he really doesn't know where he belongs."

Not a few of the Ecopaxes [members of a movement to preserve peace and the natural environment] organized in the green movement suspect that the master of the polished phrase, ever present on all the channels and in all of the newspaper columns, is, in reality, a social democrat in disguise, and that he will one day, perhaps in the not too distant future, switch his allegiance to the SPD. "Never say never," is one of his cryptic answers to such a question.

But this is only one of the answers. Another answer is: "I will not withdraw from politics" (reply on May 11 to the question of what he will do if he has to give up his Bundestag mandate this summer in keeping with the "rotation" policy dictated by the Greens). Three days later (after his party's fiasco in Northrhine-Westphalia) the answer sounded like this: "If the Greens are unable to draw the appropriate conclusions from this overwhelming election defeat, I shall draw my own personal conclusions. I could imagine that I might decide to withdraw from politics for a considerable length of time." Amazing, since on another occasion this same man confessed (in private) that he had "tasted blood," as far as politics was concerned. And one more quote in Schily's own peculiar tone: "If (for the Greens) a line of thinking should prevail according to which governing or co-governing were regarded as a form of political

fornication, then I would naturally have to weigh the question of whether or not I am in the right political organization."

#### Instead of Endless Protest Schily Wants Constructive Policy-Making

All of this sounds diffuse and contradictory. But seen in the right context with two guidelines central to Otto Schily's political conduct, a pervasive logic becomes apparent, however. The man is a "Proto-Green." Part of his belief system includes the striving for "a different society." And political success is inextricably linked to the will to participate in political power. To understand this is to understand one of Schily's guidelines. According to Schily, "Voters expect constructive politics, not just protest and commentary."

The second principle that separates him from his "friends" is related to the relationship of the variegated movement to violence, an issue that even today remains unclear. This conflict surfaced most clearly in a disagreement within the party concerning the "cozying-up letter" sent by the green ladies Antje Vollmer and Christa Nickels to a number of imprisoned terrorists belonging to the "Red Army Faction." The attorney Otto Schily, who defended Gudrun Ensslin, never once gave cause to doubt his adherence to the principle that the government alone has the right to resort to force: "In this question there is for me no possibility of compromise." Here, too, there is bitter opposition on the part of the "fundamentalists." Is, after all, a change of parties really the only answer? Juergen Reents, who left a communist group in Hamburg to join the Greens, regards Schily's acknowledgement of the state's monopoly on force as a "defection to the SPD."

Certainly, many members of the Green party would be glad if Schily were to depart. Just as the eco-friends and peaceniks themselves do not want to be pressured into adapting a particular position, so too this unadapted individualist does not fit into any of their notions of politics and its configurability. This is evident even in superficial details. While the other Green M.P.'s like to "loosen up" plenary parliamentary sessions by uniformly donning leisure clothing, Schily is always seen wearing an elegantly tailored, understated suit, frequently with a vest, and always with a necktie. Legacy of his bourgeois origins? After all, the father of the (still) M.P., who was born on July 20, 1932 in Bochum, was the director of a foundry. But most of all, Schily's clothing reveals his self-awareness, -- and the wish not to be as monotonously the same as all the others.

It is not only that Otto Schily has his problems with the party; the Greens have just as many problems with their "politstar." They like on the one hand to sun themselves in the fame of having one of their own, in the hearings held by the investigative committee for the Flick affair, cause Franz Josef Strauss to lose his self-control and raise the sweat on a man like Helmut Kohl. But, on the other hand, they envy Schily his fame, they fear that they themselves will fade away in his shadow. This is the bad thing in this party of those who allegedly eschew violence. Whoever appears above average is mercilessly humiliated, or at the very least an attempt is made to humble him.



In addition to Schily, "Joschka" Fischer, the other born political talent of the Greens, has been made to feel this.

This is all the more the case, as Schily and Fischer do not hold to the "pure doctrine" promulgated at party conferences, but rather try to pursue pragmatic and success-oriented politics. And to this belongs the consideration of a possible coalition partner with whom to share "power." Schily's own local Green organization, the group from Northrhine-Westphalia, hold Schily, who supports a coalition with the SPD, accountable for their party's poor showing in the Landtag election; according to former fellow M.P. Eckehard Stratmann, Otto Schily has become for the party "humanly and politically intolerable."

To Schily's way of thinking, the SPD is the "born coalition partner" for the Greens. Moreover: "We cannot expect to be able to achieve our political goals other than within an alliance." He occasionally meets with the SPD minority leader Hans-Jochen Vogel in Vogel's Bonn apartment. Discussion with Gerhard Schroeder, his young SPD M.P. colleague and challenger to Lower Saxony's minister president Ernst Albrecht, are not a problem for Schily. After all, the social democrat is broadcasting on the same political wavelength. Thus seen, it would, after all, only be consistent for Schily to switch from green to red if his party again rejects an offer to enter upon a governmental alliance with the SPD next year in the elections in Lower Saxony.

But what would Otto Schily stand to gain from such a move? Certainly his joining would bring no disgrace to the social democrats, in particular since the brilliant jurist is not a revolutionary but "merely" a reformer. And there are enough like-minded SPD members. But this is precisely the problem. In the Green party, he may rub people the wrong way, but in any case he stands head and shoulders above the crowd. In the SPD party of the people, however, he would be just one of many, despite his brilliance in individual situations. To be simply one of many does not fit the psychological profile of an Otto Schily.

This perhaps explains, in part, the oscillating answers to questions about his political future. He claims that he is working on a programme for the 1987 Bundestag elections; this he says will be "the central point of my work in the future." Will he actually leave the Greens? "Anything is possible, but it's not likely," he says another time. Otto Schily -- a man who constantly needs a stage on which he can play the role of soloist. But who would be able to provide him with such a stage?

12792  
CSO: 3620/398

15 July 1985

POLITICAL

FEDERAL REPUBLIC OF GERMANY

## COALITION, SPD SUPPORT MOVE FOR CAPITAL GAINS TAX REFORM

Duesseldorf WIRTSCHAFTSWOCHE in German 24 May 85 pp 22-24

[Text] One result of the Flick investigative sub-committee is already certain: all parties want to change the controversial income tax Section 6b, which governs tax advantages for gains from the sale of assets.

The SPD Bundestag delegate Dieter Spoeri, speaker for the social democratic opposition in the Flick sub-committee in the Bonn parliament, drew up a hypothetical calculation: if the list of changes presented now by the SPD M.P. concerning income tax Section 6B had been in effect years ago, the Flick combine would not have been able to invest 1.424 billion DM with tax concessions from the sale of its Daimler-Benz stock, but only 495.7 million.

The social democrat is pressing ahead with his modification plans, since, according to the present schedule, the investigative committee will not report its findings until shortly before parliament begins its summer recess. And part of the investigative mandate of the committee was to report on possible consequences of the Flick affair for the law-makers. Although coalition and opposition members of the committee alike are still working out their various versions of the report, one result is already established: all parties strongly support a change in the controversial paragraph that governs tax advantages in the case of reinvestment of disclosed hidden assets.

But the economic significance of the tax advantages of Section 6B, according to which capital gains thus realized can be reinvested without additional taxation, is undisputed by the CDU/CSU, FDP and SPD. Until the billion DM claims by Flick and the circumstances surrounding these claims threw a dubious light on the tax deferral, Section 6B was pretty much regarded as a regulation chiefly of relevance to medium-sized businesses. The overwhelming majority of claims was made by firms with annual profits of less than one million DM. In the most recent report on subsidies, tax losses were estimated at a total of 470 million DM annually. According to the latest statistics from 1977, more than 2,200 taxpayers were beneficiaries.

It is primarily the "christian liberals" who want to avoid any change in the intended purpose of the regulation even if it were to be modified. In the view of the FDP, according to its financial expert Hermann Otto Solms, 6B is "an important instrument to overcome structural economic changes, and which eliminates tax obstacles to the necessary modernization and adaptation of

businesses to technological, regional, micro- and macroeconomic structural changes, thus helping to guarantee the availability of jobs." But even SPD member Spoeri accepts the "actual economic significance" of the regulation, which lies, in his view, in the fact "that the existing production apparatus of our national economy not be allowed to become encrusted."

Yet unlike the Social Democrats, who consciously want to achieve a "very sharply restricting effect" (Spoeri) with the new regulation and who want to exclude various kinds of reinvestment from the allowances, the Liberals are strongly in favor of a regulation that would be as generous as possible. With this step they want to cash in on a decision that they themselves introduced into the social-liberal coalition: with the Structural Budgetary Law of 1982, tax concessions had been lowered to 80 percent of the gains from the sale of assets.

Unlike the Free Democrats, FDP financial expert Ludolf-Georg von Wartenberg regards the SDP suggestion as "absolutely worthy of consideration," according to which the waiving of taxes should be linked to the precondition "that new shares be purchased and that this additional investment be made in depreciable movable property and in buildings."

All participants are in agreement that, in the future, tax advantages for the purchase of capital shares should no longer be made dependent on a ministerial certification that the reinvestment "is especially worthy of support in consideration of the national economy and is suited to improve the commercial structure of a certain sector, or to serve the broad dispersion of property" (text of the present law). The Free Democrat Solms: "With the elimination of the certification process, tax law would be simplified and relieved of much red tape, the creative latitude open to the companies would be expanded, and a selective administrative intervention in the market process would be done away with." With the same goal in mind, Spoeri intends something different: "The broad latitude in the interpretation of abstract regulatory criteria in the form of imprecise legal concepts was a direct and indirect target of the Flick combine's attempts to exert its influence." His conclusion: "All of the empty rhetoric should be eliminated."

But for the time being, the rhetorical regulations are still in effect. And very soon a court must decide on whether or not the Federal Economic Ministry correctly interpreted these regulations: on May 28, proceedings begin before the Administrative Court in Cologne in which the Flick combine is suing the Ministry because of revocation of a tax concession. The point at issue: a tax advantage of 450 million DM.

12792  
CSO: 3620/397

POLITICAL

FEDERAL REPUBLIC OF GERMANY

# ELECTION LOSSES SPUR CDU SEARCH FOR ECONOMIC RECOVERY POLICY

Hamburg DIE ZEIT in German 31 May 85 p 15

[Article by Peter Christ: "Hocus Pocus with Marginal Effect: Hectic Search for Economic Policy"]

[Text] The disastrous defeat in the Landtag elections in Northrhine-Westphalia was a major shock to the CDU and CSU alike. "The CDU and the Bonn coalition must certainly take this election debacle seriously," warned Bavarian minister president and CSU leader Franz Josef Strauss. And the Bavarian also knows the reason for the rejection at the polls: "Without a doubt, the topic of unemployment is a primary concern in the minds of the voters. In this area, reality is still lagging distressingly far behind what had been expected."

The recovery euphoria that had been carefully cultivated by the chancellor and his ministers has completely dissipated, although the economic statistics have hardly changed at all. There is no longer much enthusiasm concerning growth figures, figures on stabilization and record exports. If for months the general mood had been better than the actual situation, now it seems to be just the reverse.

Doubts are growing in the coalition and in the Union parties especially with regard to the success of their own economic policies. Why else would Gerhard Stoltenberg, who has a reputation as a sensible economics minister, say, "The state has to do something," which gives the impression that the state, or rather this government, has up till now not done enough.

Stoltenberg's challenge to action fell, in any case, on fertile ground. There is hardly a group in the Union parties that is not putting forth its own economic therapy, keeping a close eye especially on the nearby voters. Strauss was of the opinion that unemployment could only be reduced "if, to put it bluntly, we don't just pussyfoot around - we have to get in there and be willing to shake things up." What he meant by this can be found in an article that he wrote for the party newspaper BAYERNKURIER. The CSU Land group in the federal camp also detailed their party chairman's programme in a comprehensive list of things that they would like to see accomplished. Lower Saxony's Economics Minister Birgit Breuel (CDU) was not alone in saying that it was rather tactless of the CSU to first publish this list and only thereafter to discuss it with its larger sister.

A wish-list of middle-level CDU functionaries, described internally in the party as a "list of horrors," corresponded in several points to ideas of Ernst Albrecht, minister president of Lower Saxony, who wanted to introduce further suggestions to the discussion. And of course it was necessary for the CDU economic council, which has close connections to big business, to bring forth its own ideas. And, as could be expected in a party of the people, the workers' wing also had its say. This was done in the shape of Heribert Scharrenbroich, executive chairman of the CDU social committees.

This flood of opinions did not exactly sit well with the National Association of German Industry (BDI). In any case, before last week's meeting of the CDU praesidium, BDI president Hans Joachim Langmann warned against questioning the course of the economic policy and of the policy of stability.

Anyone who hoped for clarification from the CDU praesidial meeting was disappointed. A direction that could be generally accepted by the Union parties, not to mention by the coalition government, is not yet in sight. "The head of state must see to it that the different opinions are bundled together and transformed into political action," says Ernst Albrecht. But Federal Chancellor Helmut Kohl is still far from ready to take this step.

At best, the general contours of individual measures are beginning to take shape. The most important challenge, in the view of the government, is to slow the drastic decline in the number of jobs in the construction trades. In order to encourage cities and municipalities to increase the numbers of contracts being awarded to construction companies, the government's Credit Institute for Reconstruction, the Bank for the Equalization of War Burdens and the ERP Special Fund (Marshall Plan) have increased the line of credit that they offer as subsidies to local governments. Ernst Albrecht especially expects an increase in construction jobs as a result of these actions.

But Finance Minister Gerhard Stoltenberg immediately put a damper on any all too optimistic expectations. The foremost political goal remains, in his view, the consolidation of the federal budget. New indebtedness for the government should under no circumstances be allowed to increase by more than 3 percent in the coming year. For this reason, Stoltenberg does not want to make money available for the renovation of cities and villages, nor for environmental protection construction in the local municipalities. The additional funds must be gotten by reassigning budget monies that have already been allocated. Each additional DM for the municipalities, therefore, will be missed in another area.

All of the other suggestions aimed at reinvigorating the economy also face the same financial reservations from the minister for finance. Right now, for example, Stoltenberg's officials are calculating how much it would cost to shorten the depreciation period for business construction from 50 to 10 years. The FDP, CDU and CSU disagree among themselves as to which of them was the first to come up with this idea.

The CDU suggestions, i.e. encouragement of overseas construction, the

implementation one year earlier of the new tax regulation concerning housing construction that is scheduled to take effect in 1987, an extension for the deduction of mortgage interest payments by home builders, and the encouragement of savings in building and loan institutions, are unlikely to meet with much success. Albrecht's suggestion that the premium paid to foreign workers who voluntarily return to their homelands be increased does not come from his set of economic policy instruments. With this measure Lower Saxony's minister president hopes to be able to free up more jobs.

Opinions in the Union parties diverge concerning not only the methods of their policies, but concerning also the effects of these policies. Albrecht hopes that help for the construction trades as well as other measures may be able to create several hundred thousand jobs. Matthias Wissman, economic policy spokesman for the CDU group in the Bundestag, is somewhat more skeptical; he hopes that there may be a change in the trend for unemployment figures. "If in the summer of 1986 we have fewer than 2 million unemployed, that would mean that a decisive psychological threshold has been successfully passed," Wissman claims.

This optimism is not shared by Otto Graf Lambsdorff, former economics minister and economic policy spokesman for the FDP. The wrangling taking place in the Union parties and in the government about the future course of economic policies reminds him of the social-liberal coalition, when the social democrats and the liberals spoiled their clientele with all kinds of presents. Because this happened just before Christmas, it was described as "decorating the Christmas tree." The measures being discussed by the CDU to help the economy are dismissed by Lambsdorff as "economic hocus pocus," and will have, in his view, only marginal effects on the labor market. He is unable to detect a logical progression in the economic policies of the coalition partner. Thus Lambsdorff and Helmut Haussmann, FDP general secretary, have been drumming up support for some weeks now for carrying out the tax cut, now scheduled for a two-stage implementation, in one step, and moreover to implement it at the beginning of 1986. The liberals believe that the 20 million DM which would thereby suddenly become available to the taxpayers could be used to nurse the ailing economy.

In Lambsdorff's view, if the government wishes to be reelected it must do everything in its power to lower unemployment. He therefore believes that the CDU rejects the notion of a one-step tax cut because it is misjudging the degree of risk involved. If the tax cut were to be implemented earlier than planned, the CDU risks only a larger deficit. If the two-stage tax reduction is implemented as planned, the party risks defeat in the next election.

Finance Minister Stoltenberg insists upon the two-stage tax cut, because he is worried about his reputation as someone who is able to restore the budget to fiscal health. But Lambsdorff regards this position as totally unpolitical, in view of the election defeat that threatens in 1987. And the only reason, in his view, for the chancellor's support of Stoltenberg is that he has not yet been able to understand that the tax cut would in part pay for itself.

In any case, last Friday the FDP voted in the Bundestag in favor of the new tax law only with a great gnashing of teeth. This is not the end of the discussion, it was implied. Franz Josef Strauss alone would be enough to ensure this, as he proclaimed: "The CSU and the Free State of Bavaria will do everything in our power ... to bring about a majority vote for the implementation of one-stage tax reform." For even in the CDU there are influential politicians who side with the FDP and the CSU on the subject of the tax cut.

It was noted with great interest last week in Bonn that CDU minister presidents Lothar Spaeth (Baden-Wuerttemberg) and Uwe Barschel (Schleswig-Holstein) did not participate in the praesidial meeting of their party. Spaeth is audibly silent concerning the squabbles in Bonn. Lambsdorff hopes that the Swabian Spaeth may still be won over to the position of his South German neighbor, Strauss, concerning the tax issue.

If this is the case, the summer theater that has taken place for years in Bonn will soon be center stage once again.

12792

CSO: 3620/400

POLITICAL

FEDERAL REPUBLIC OF GERMANY

EMPLOYMENT, INVESTMENT STIMULATION CONCEPTS STILL UNCLEAR

Duesseldorf WIRTSCHAFTSWOCHEN in German 24 May 85 pp 19-22

[Unattributed article: "To Get Things Moving"]

[Text] Since the Landtag election in North Rhine-Westphalia, discussions have been going on in Bonn with regard to additional investment stimulation and ways to improve the job situation. But no clear plans have as yet evolved.

Minister for Economics Martin Bangemann took a hard line approach. "To turn back now," the FDP chief wrote in a column for a regional newspaper, "would be the worst mistake that could be made in German politics."

But at that same juncture, the minister was already planning to go back to economic policy concepts of the seventies. As before, the government does not have much money; but since the accent is on investments, the economics ministry came up with a plan for interest subsidies in order to make public sector investment credits cheaper.

More so than among the FDP where there is not much unanimity on the subject of new investment stimulation by means of higher government spending, there has been growing pressure on the CDU/CSU in the aftermath of the CDU debacle at the North Rhine-Westphalian regional election to do something about improving the job situation—if need be by temporarily abandoning the tight economy measures. CSU chief Franz Josef Strauss, who did not succeed for the time being in pushing his tax relief package through in one stage, took over the leadership of the movement. "The question now is not whether or not to bring the budget back in line," he said.

This is tied to the realization, Strauss added, in alluding to the CDU defeat, "that it cannot be our goal to turn over to another government—perhaps one dominated by the left—full coffers, ample funds and a stable currency." Strauss received support from Ernst Albrecht, the minister president of Lower Saxony and Uwe Barschel, who holds the same post in Schleswig-Holstein.



Theo Waigel, the head of the CSU Land organization, had indicated this policy thrust earlier. The freedom of action gained by getting the budget back in line, he said, should be used to increase government investments.

To start with, the job picture began to brighten first in the halls of parliament and in government offices. Fiscal experts of the CDU/CSU Bundestag fraction drew up a plan for reducing time limits on writeoffs on plant construction. Depending on the extent of the improved tax writeoffs, they argue, somewhere between 50,000 and 90,000 new jobs could be created. Raising the linear writeoff rate to 10 percent, would cost the government DM 500 million each year--and more in subsequent years.

At the economic ministry, plans were worked out on how to use the ERP funds, which still go back to the time of the Marshall Plan, to stimulate investment activity. But since the ERP funds are already spoken for and the constitution prohibits paying out subsidies directly from the budget, ministry officials came up with a clever ploy, i.e. that the budget itself should purchase claims against third parties from the ERP holdings. The funds obtained in this manner--amounting to about DM 1 billion---should be used to raise the capital of the loan program administered by the reconstruction loan authority in order to enable the communities to invest in environmental protection projects.

But even in the past the communities were hesitant about availing themselves of funds from the authority--on the one hand because of a desperate lack of money and on the other for fear of the future costs of such investments. For that reason, still another alternative formula was devised. Instead of expanding the volume, the conditions should be eased and the interest rate lowered by about one percentage point.

Other ministries, too, have prepared plans for stimulating investment activity. The housing ministry estimates that an additional DM 600 to DM 700 million in government funds is needed to fund urban renewal projects which have already been approved. The transport ministry can also "put a large number of projects on the table," according to one official, e.g. for road construction or the maintenance of inland canals. The labor ministry is presently trying to figure out how much the government would have to spend on programs to provide as many as 100,000 new jobs instead of 80,000 for persons who are now out of work.

The SPD opposition, which has long been calling for additional job programs, is gloating about these efforts by the CDU/CSU-FDP coalition. SPD fraction chairman Hans-Jochen Vogel told Chancellor Kohl in a letter he was ready "to talk about a crash program to combat unemployment." Wolfgang Roth, Vogel's second in command, has been poking fun at the coalition for trying to avoid using the term "job program." "For all I care," Roth said, "they can call it Hugo. The main thing is that something is done."

But that is by no means certain--because Finance Minister Gerhard Stoltenberg is firmly opposed to the costly schemes of his party and coalition colleagues. For a special session of the CDU presidium the finance minister had his staff provide him with ammunition to shoot down the projects which would make it difficult for him to get the budget back in line. "Once you start dismantling Stoltenberg's fiscal policies, that will be the limit as far as he is concerned," a fellow member of his on the CDU executive committee said.

The finance minister himself is trying to put things on hold until the end of June. "Decisions on how to strengthen private and public investment further will be taken in conjunction with the draft of the 1986 budget," Stoltenberg had his press spokesman Karlheinz von den Driesch announce.

The Bavarian CSU, at any rate, remains unimpressed by Stoltenberg's show of opposition. It voted once again this week in favor "of fighting" for the DM 20 billion **one-step** tax relief package in 1986.

9478

CSO: 3620/391

POLITICAL

FINLAND

## MAJORITY COMMUNISTS EMERGE TRIUMPHANT AT SKDL CONGRESS

### Kivisto Praises Center-Left Government

Helsinki HELSINGIN SANOMAT in Finnish 25 May 85 p 8

[Article by Kyosti Karvonen and Anna-Riitta Sippola: "Kivisto Defended SKDL's Era in Government"]

[Text] Tampere--Resigning Chairman Kalevi Kivisto (People's Democrat) demanded a return of the SKDL [Finnish People's Democratic League] as a functioning organization on Friday. In addition, he strongly defended the achievements of the SKDL during its participation in the government.

Kivisto, who delivered a situation report at the SKDL's congress in Tampere, stated that the prerequisite for the restoration of the SKDL's operational capability is that the league be able "to return to systematic work in the whole movement and restore prestige to the movement".

Kivisto's extensive situation report was also a speech in defense of the SKDL's government participation, which was curtailed two and a half years ago.

Kivisto devoted a long segment of his speech to explaining what in his opinion actually happened at the end of the SKDL's government era in connection with the controversies over devaluation and arms funding.

Kivisto did not offer any definite remedies for resolving the SKDL's internal problems. He did say, however, that the prerequisite for credible action is that "we have an operational organization for the advancement of our major objectives".

According to Kivisto, the SKDL is not and has not for along time been an organization capable of functioning. However, he says that he is convinced that nothing has been irrevocably lost.

"Those who have damaged the SKDL by deviating from the principle of systematic operations bear a great responsibility," stated Kivisto in referring to the Taistoite [Stalinist] minority, whose significance in the SKDL is clearly less than in the SKP [Finnish Communist Party].

Kivisto, who will resign from the SKDL's leadership on Sunday, established a purposeful policy of cooperation as one of the future tasks of the league. Kivisto did not, however, clearly urge a return to government.

At the press conference Kivisto emphasized that no changes should be anticipated with respect to government designs in this election phase.

Kivisto said that the question concerning two election alliances will depend on the organizational situation at that time. An advance announcement about running with the minority in the elections on different lists would mean an assumption of the SKP's dissolution, he said.

In discussing the SKDL's era of government participation Kivisto gently prodded the then Labor Minister Jouko Kajanoja (Communist), who made public an approximately 2-billion markka employment package in the summer of 1982.

Kivisto pointed out that even his own experts considered this billion markka package to be problematical. Kajanoja's package was an embarrassing experience within the movement and no trace of it was to be found in the budget, noted Kivisto.

Kivisto gave a more thorough defense of the SKDL's actions in October 1982 in the tug-of-war waged over the devaluation decision. At that time the dissolution of Kalevi Sorsa's third government was imminent.

Kivisto justified the detailed accounting of the SKDL's government phases by the fact that "an attempt has been made to give an incorrect impression of it in our political history with respect to the manner in which the issue is being treated as well as its content".

Kivisto lashed out against certain names without mentioning the decision at the end of 1982, which drove the SKDL out of the government because of the so-called arms funding controversy.

"We were compelled to make perhaps one of this decade's most important decisions in a manner which does not correspond with those forms and the extensiveness of the consideration that is expected of such a major decision," criticized Kivisto. According to his interpretation, the desire to leave the government was not based on the decisions of the SKDL's organizational organs.

Kivisto said that he was convinced of the fact that Finland's development differed many Western countries as a result of the era of left-wing and center cooperation.

Kivisto also discussed an old favorite subject of his or the "magic of the red lanterns". In his opinion, the high profile manifested in speeches, publications, and parliamentary votes cannot be an end in itself.

Kivisto's government defense was a direct answer to former SKP Chairman Kajanoja's book "Vallankumous ja 10,000 aanta" [Revolution and 10,000 Voices], in

which Kajanoja presents a nearly contrary view of the final phases of the SKDL's participation in government. Kivisto says, however, that he has not read Kajanoja's book.

While smiling and shaking his head, Kajanoja listened to Kivisto's speech in the same row with the SKDL's minority MP's.

#### CP Internal Fight Reflected

Helsinki HELSINGIN SANOMAT in Finnish 25 May 85 p 8

[Article by Kyosti Karvonen and Anna-Riitta Sippola: "SKP Conflict Emerged in General Debate"]

[Text] Tampere--The internal situation in the SKP, the SKDL's largest member organization, popped up to some extent in the general debate conducted on the opening day of the 14th Congress.

The toughest majority speech was delivered by former champion wrestler Osmo Hekkala from Oulu, who declared that his delegation will support the decision to clarify the SKP's internal situation next fall and to enter the next parliamentary elections with two lists if necessary.

According to Hekkala, the SKP's struggle has taken power away from the people's democratic movement and has caused the membership to become fed up with it all. He labelled the Tiedonantaja movement, in particular, as a cultivator of the conflict.

Hekkala came out for the election of Esko Helle as chairman and Reijo Kakela as general secretary. Those who have encouraged actions to push the movement into the courtroom will not be elected to leadership responsibilities, he said in making a direct reference to the minority.

MP Ensio Laine is available as second vice-chairman of the Executive Council from the minority, but his election has not been publicly announced.

#### Minority Kept Low Profile

The members of the minority faction, of whom 40 were estimated to be present among the group of 207 delegates, kept a rather low profile in the hall at least on Friday.

Indeed, the minority immediately demanded the right to take even this meeting to the courtroom. Its representative dictated a dissenting opinion on the legality of the meeting in official records since the minority does not recognize the right to representation of the SKP's new majority districts in the SKDL.

Leo Juvonen of the Kymi minority district urged the SKDL to refrain from actions which are directed against some and to elect representatives from various quarters to leadership tasks.

Antti Holopainen from Joensuu's minority district, for his part, warned against splitting the organization into ever smaller cliques. He opposed "the amendment of statutes concentrated in the hands of an ever decreasing number".

The meeting has been presented with a proposal to amend the statutes, which would reduce the membership of the SKDL's Executive Council from several dozen to less than 20.

Aulis Ruuth, who made the proposal, justified the change by the fact that it is difficult to obtain a quorum with its present size, which has increased the influence and power of the secretariat.

Jaakko Huttunen of Lapland, who considered that an ever smaller number of people is bearing the responsibility for fundamental organizational work, introduced a breath of moralism into the debate. On the other hand, sufficient numbers of people can, indeed, be found for paid positions, noted Huttunen.

Huttunen had a detailed proposal according to which half of the compensation should be turned over to fundamental organizational work. If this income is not more than 40,000 markkaa and if there is no taxable property, there is no need to turn over half of the compensation, he proposed.

#### Rekonen Presented A Balance

Former minority member and present "Rekoist" Heimo Rekonen from Pohjois-Hame tried to create a balance by stating that everyone has a right to belong to the SKDL. He had reservations regarding the reduction of the Executive Council.

The most pleasant speech was delivered by Aarre Makela from Satakunta, who boasted that his district is the largest and the most beautiful in the SKDL. He supported the election of Helle "to a rather impossible task" and also supported Kakela for general secretary even though the initial attitude toward Kakela was cautious according to Makela.

SKP Chairman Arvo Aalto and Secretary Pekka Ahmavaara of the SAK [Finnish Confederation of Trade Unions] presented their greetings in the Executive Council. The congress received a telegram from the West Coast Recreation Fishermen, among others.

#### Youth Little in Evidence

Helsinki HELSINGIN SANOMAT in Finnish 25 May 85 p 8

[Article: "Middle-Age Congress Began Without Much Spirit"]

[Text] Tampere--Lauri Makkonen, 29, from Kajaani was eating sausage in the lower hall of Sampola, went out from time to time to have a smoke, and noted with annoyance that he is a different kind of delegate. There were no other youth at this congress of the middle-aged.

"Just terrible," he characterized the dispirited feeling of the first day of the congress.

Even others consider the beginning of the meeting as lacking any kind of spirit. The reddish twilight of the meeting hall does, indeed, bring to mind a womb, but if the new rise of the movement is to come from there, there is still time until the birth.

On the other hand, it was not quiet in the hall. From time to time there was such a ruckus that the chairman had to calm down the various groups in order to be heard.

Lauri Makkonen wanted to hear a discussion of the future. Utopias must be in the making and the members should have their own ideas and not just the decisions of the party leadership, he says.

He himself intends to address the people from the podium about the 35-movement developed by the Youth League: an hourly wage of at least 35 markkaa for everyone, a 35-hour work week, and 35 years of service at the most during a person's lifetime. Or not just work, but healthy free time for people also.

"In Kainuu there are suspicions that the SKDL is on the decline at a very rapid rate. I myself am not so pessimistic. Or is this just imagination...", wonders Lauri Makkonen, who works at an office of the Youth League in Kajaani.

He does not like the gloomy election prospects for Esko Vainionpaa, the new general secretary of the SKP, especially when only the party's other faction is said to be the reason for these future defeats.

"The accusers have reason to look at themselves in the mirror," says Lauri and does not consent to classifying himself as belonging to any faction.

In spite of the dispirited beginning, more is expected of Saturday evening. The theme sessions will be held at that time and there will be a debate on work and lifestyle.

"It is still too early to say whether this congress will have any kind of a stimulating effect on the movement," thinks Professor Antero Jyranki, a delegate from Turku.

He gives a cautious assessment of the movement's future success. "If the decline of the SKDL were brought to a halt in the next elections, this would already be a victory."

Pensioner Mauri Munter in the last row of the hall is not as modest about predictions. "There are now 27 MP's, after the elections there will be 32. It has been difficult to deal with the disrupters -- what else can they be called -- but the people are now beginning to have trust."

Munter will miss Kalevi Kivisto, who is resigning from the chairmanship, as many others will. When Kivisto concludes his long speech, the back row will

applaud him. "Let us applaud now that it is the last time he will speak. Kivisto's departure to become a governor is understood, but there is a longing in the air. No one seems to really know Esko Helle, the future chairman.

#### Moderates Grab Key Positions

Helsinki HELSINGIN SANOMAT in Finnish 27 May 85 p 13

[Article by Kyosti Karvonen and Anna-Riitta Sippola: "SKDL Congress Voted for Hours"]

[Text] The personnel selections of the Finnish People's Democratic League were conducted according to the so-called long formula with votes being taken on nearly everyone since the Taistoite [Stalinist] minority was not able to get the representatives it wanted in the league's leadership positions.

The hassle over the election of personnel, amendments to the statutes, and over the official records continued throughout all of Sunday. The minority placed "third liner" MP Pirkko Turpeinen (Communist) against MP Esko Helle (People's Democrat), who was elected, in the chairmanship elections. Helle won by a vote of 161 to 31.

The minority previously used Jouko Kajanoja, who is Turpeinen's husband, as its candidate in the SKP's chairmanship elections.

Helle's election did not go without dissenting voices since the SKDL's Lapland District was thoroughly annoyed by the "advance selection" of Helle as the successor of Kalevi Kivisto (People's Democrat).

#### Lapland Critical

Jaakko Huttunen of the Lapland District criticized the preparation of personnel selections in a narrow work group, which then marketed its list of names "as the word of God".

The reason for the annoyance of the Laplanders was that their candidate Tuomo Molander (People's Democrat) did not receive any support, but had to be satisfied with the vice-chairman's spot in the Executive Council. Nevertheless, the Lapland District voted for Helle in the leadership election.

Huttunen hoped that the procedure that was used will never be repeated and received a surprising round of applause from the participants at the congress. He wanted a better organizational treatment of the issue the next time around.

The congress was able to be unanimous with respect to the vice-chairmen. MP Ulla-Leena Alppi (Communist) is continuing as a vice-chairwoman and MP Timo Laaksonen (Communist) was newly elected to this post.

It was known already in advance that the minority would not swallow another term for General Secretary Reijo Kakela (Communist). Kakela is one of the



leading forces of the SKP's majority leadership, who has raked the minority over the coals.

The minority placed third-line Doctor Seppo Timonen against Kakela. Timonen, however, suffered a defeat by a vote of 154--31.

The voting landslide continued in other choices also. The minority presented its own list of names for members of the Executive Council as well as the Executive Committee. The majority's list of names for the Executive Committee won by a vote of 161-32 and the list of names for the Executive Council by a vote of 163-31.

MP Vappu Sailyoja (People's Democrat) receive unanimous support as chairman of the Executive Council and Molander was elected vice-chairman in the same manner.

#### Laine Was Dropped

Minority MP Ensio Laine was forced to give up the vice-chairman's spot on the Executive Council. This position was given to MP Osmo Vepsalainen (Communist) by a vote of 162-31.

The real reason for the dropping of Laine was the fact that minority MP's could not elected leadership positions in a situation in which entry into the SKDL's election lists is improbable according to the minority.

In the election committee the majority observed a tactic already familiar from the SKP's 20th Congress, according to which the minority was no longer able to nominate its own representatives to leadership positions.

The minority even submitted a dissenting opinion to the committee's proposal, according to which the selections were based on discrimination without representing the SKDL's opinion letters. The congress adhered to a stricter line in its personnel selections than the work group, which proposed Laine as vice-chairman of the Executive Council.

One member of the minority, five Socialists, and eight majority Communists were elected to the Executive Committee.

The minority backed three regular and two deputy members for the Executive Committee. The minority received four regular representatives in the Executive Council, which is less than before. No minority MP's were elected to any of the league's organs.

The selections also aroused conflicts in the majority's own ranks. Socialist Hilka Aalto would have wanted to see critical voices or Jorma Hentila and Johan von Bonsdorff in the Executive Committee. Terho Pursiainen (Communist) was also up for the Executive Committee for a long time.

## Difference of Opinion on Real Socialism

Perhaps the most interesting debate of the congress was conducted on the document which dealt with the SKDL's attitude toward the Soviet Union and other countries living under real socialism.

The committee presented an unusually direct paper, which recommended Western European neutralism as the SKDL's slogan, among other things, and the convening of the changing forces in Western Europe for cooperation with "Finlandization" as its goal.

Also the fundamental proposal regarding anti-Sovietism presented some rather spirited views. According to the proposal, criticism based on a relevant issue is not anti-Sovietism and the Finnish tradition is not the same as the Soviet one. Committee Chairman Antero Jyranki (People's Democrat) states that the proposal came about spontaneously.

In the eyes of the minority the proposal was, however, a red flag, and even the majority did not absorb it without stammering, but wanted changes in its style.

With SKP General Secretary Esko Vainionpaa as a kibitzer Jyranki worked the paper into a new form. Western European neutralism was changed into a Finnish model and the phrasing of the paper was even otherwise made softer.

The feelings of the congress were, for example, expressed by minority member Esko Vaisanen, who considered that relations between the countries will not be resolved by a test vote, and by majority member Arto Kouri, who urged that consideration be given to what the "teachers" or Taistoites have to say about the issue.

The minority was not satisfied with the new proposal either, but attempted to take it to the Executive Committee for further discussion. Members of the minority marched up to the podium one at a time to present dissenting opinions and Cay Sevon jumped up frequently to speak from the side of Soviet Ambassador Valeriy Dmitriyev.

## Voting on Statutes

A proposal to change the league's statutes was also put to a vote. The minority did not approve reducing the number of Executive Committee member to ten since this will limit the decision making power of the districts in their opinion.

A proposal to keep the committee the same size was defeated by a vote of 156-30.

The factions presented conflicting views on the domestic policy plank also. Minority MP Mikko Kuoppa demanded that the paper include a mention that the SKDL will run in the elections with unified lists.

Heikki Pusa from Lahti, who supported him, suspected that an election division will cost the league 10 MP's and that not even one will make it from the new Chairman Esko Helle's district.

In the domestic policy statement the congress demanded a 35-hour work week, among other things, and the consideration of a national wage.

The congress did not approve the social policy statement at all. The prepared draft was confirmed to be poor and there was no time to produce a better one. The matter was returned for further treatment.

#### Raising Minority's Profile

After the meeting, Esko Helle, the new chairman, made the assurance that the SKP's conflicts are having a lesser effect in the SKDL "since even in the SKP they are quietly shrinking away into their own absurdity".

He characterized the many votes at the meeting as primarily a raising of the minority group's profile. Also he did not believe that the conflicts of the congress will have an effect on the parliamentary group.

Immediately after the congress Helle was compelled to admit his first mistakes. When flowers were given to those stepping down from the league's leadership positions, former General Secretary Jorma Hentila was left without any roses.

The reason according to Helle was not the fact that Hentila has been considered difficult with his own stubborn thinking, but it was a simple slip-up in all the confusion. Hentila was not even elected to the Executive Committee, but there was room for him in the Executive Council.

In the voting confusion on Sunday little attention was given to the previous day's theme sessions, at which the changing role of labor in people's lives and lifestyles, in general, among other things, were deliberated.

A statement prepared in advance on autonomy was accepted. In it people are urged to increase their own freedoms and opportunities to exert an influence on the job and during their free time as well as in the SKDL's own organizations.

#### A Taciturn Idealist

Many at the SKDL congress asked what kind of man MP Esko Helle (People's Democrat) really is. Few seemed to have a definite answer.

A specialized dentist from Janakkala is rising to the SKDL's leadership from an even greater obscurity than Kalevi Kivisto (People's Democrat) did 6 years ago.

This first-time MP rose to the leadership of the SKDL just as much for the reason that he was not opposed as for the reason that he had extensive support.

Even the minority would have supported him if the congress had not become involved in votes on leadership positions to be given to the minority.

Helle's election became definite in practice after it was confirmed that the chairmanship belongs to a Socialist.

Socialist colleagues have described Helle as a sincere idealist, who has conscientiously worked his way up through whole the organizational ladder. One will not find in Helle the passionate socialist spirit of the type found in Ele Alenius or Ilkka-Christian Bjorklund.

Some in the SKDL fear that Helle's hesitating tranquility may be the same as a lack of initiative, which could bring problems. For example, it should be remembered that if the SKP splits, the SKDL must follow behind and make decisions pertaining to the parliamentary elections. Indecisiveness will not of any help in such a situation.

Many even refer to the fact that the management of practical matters in the SKDL will be transferred to General Secretary Reijo Kakela (Communist), who belongs to the vanguard of those who are reorganizing the SKP.

Others, on the other hand, point out that Kivisto was considered at the time to be soft in the same manner as Helle is now. Kivisto's decisive action, for example, in connection with devaluation in 1982 when he kept the SKDL in the government even forcibly, demonstrated something quite different.

Helle has already worried about how he will withstand the public pressures entailed in a leadership position. The adaptation of the most fundamental essence of socialism to a television statement will not be possible at least from the taciturn Helle.

But as a type Helle is well suited for the leadership of the kind of cooperative organization that the SKDL is. A deliberative nature supplemented by a pinch of greenness, a working spirit pursuit of sports, and an academic degree is not a bad combination.

Helle has kept a low profile in the SKDL's quarrelsome parliamentary group. The environment and social questions are his primary interests.

Helle is the first Socialist invited to be a guest of the CPSU last winter as a member of the SKDL's parliamentary group. Veikko Saarto (Communist), the group leader, had a considerable influence on the composition of the list of names. Indeed, Helle was a member of the SKP for a short time in the middle of the 1960s.

In his speech thanking the congress Helle could take note that Soviet Ambassador Valeriy Dmitriyev seemed to be more satisfied than during Kivisto's speech on Friday.

It is said that Dmitriyev noted how seldom Kivisto mentioned the Soviet Union in his speech. Kivisto has always experienced visa difficulties. Helle's visa pipeline, on the other hand, has opened up in a promising manner.

## Socialism's Cat on The Table

The debate on the attitude toward existing socialism, which has been going on unofficially for a long time already in the league, became a surprising and interesting subject of discussion at the SKDL's 14th Congress.

The Soviet Union and the other socialist countries have had a sacred spot in the SKDL. A discussion on real socialism has generally gone along the normal liturgical path.

The situation has changed in recent years and the SKDL's Socialists have for a long time conducted a rather critical debate on the socialist countries. The subject in the SKP, on the other hand, has been almost taboo, but pressures to discuss this matter are beginning to appear even there.

The need for a debate is increasing as the older generation is disappearing. In addition, the restraints on a debate are disappearing as the minority is being ever more clearly pushed aside.

The International Policy Committee presented the congress with an unusually straightforward paper, which analyzed the allegation of anti-Soviet forces in the SKDL.

According to this document, views differing from Soviet positions are not to be considered as anti-Sovietism, and neither are differing concepts of the forms and means of accomplishing socialism.

"Criticism based on the fundamentals of an issue does not as such demonstrate anti-Sovietism," states the document.

However, the most radical concept of this document concerned "Finlandization". It gave the SKDL the new task of getting the various forces of change and radicalism in Western Europe to cooperate with "Finlandization" as a goal.

And then: "Our slogan could be Western European neutralism." Let it be said again that the paper was presented for approval at the SKDL's congress.

The text of the document was so strongly worded that the congress did not swallow it without biting. A second writing softened the language of the document considerably, but a cautious critical trait remained.

According to Committee Chairman Antero Jyranki (People's Democrat), the intent of the paper was to place the cat on the table or to deal with a subject which is not talked about in Finnish politics. The next time the text may be stronger and the changes may be less.

## Game Has Been Defined

The congress demonstrated that the majority faction in the SKDL is ready to define the rules of the game with the minority before the next parliamentary elections.

Without a rather complete about-face, no positions will be found for the minority on the SKDL's elections lists. The majority evaded the minority's tactical snare to obligate it to joint lists at this time already.

In this way the SKDL did not give the minority an opportunity to make the league into a new factional battlefield. The reduction of the minority role in leadership positions the failure to elect a minority MP as a vice-chairman of the Executive Council, however, demonstrated that the SKDL is making preparations for the dissolution of the SKP. It now appears that the SKP's final batter will be next fall.

#### CP Rift's Effects Weighed

Helsinki HELSINGIN SANOMAT in Finnish 28 May 85 p 2

[Editorial: "SKDL's Future Depends on Final Result of SKP Conflict"]

[Text] The SKDL's 14th Congress over the weekend did not clarify the question of the SKDL's future in the event that the SKP splits into two separate Communist parties. The course of the congress demonstrated that the SKDL is still fundamentally a cover organization for the SKP, in which the Communists' internal struggle is reflected with full force. Only after this struggle has been resolved in one direction or another will the prerequisites exist for an independent role for the SKDL.

In accordance with its operational concept, the SKDL should bring rather varied left-wing trends and views under the protection of its wings. To some degree, this is what has happened. Even in the heat of the SKP's internal struggle the SKDL's parliamentary group has been able to appear in a unified manner while it has been in opposition. The Socialists have tried to exploit the Communists' conflicts for raising their own profile although their success rate has remained poor.

The pace of this congress was determined by the SKP's majority, which succeeded in clarifying its relations with the minority by open organizational means at the SKP congress a year ago. Tolerance was nowhere to be found, and the congress was bogged down in votes that lasted for hours.

The majority no longer allowed the minority to obtain its traditional share of leadership positions. Possible MP candidates were especially blocked from leadership organs. The majority was already thinking about a probable arrangement in which the minority would no longer be included on joint lists with the majority in the next parliamentary elections.

In the SKDL's postwar years of power its support in elections was more than 20 percent. Two years ago its share of the votes was less than 14 percent, which generated only 27 seats in parliament. It is estimated that a decision to run on separate lists will mean an additional loss of 10 seats for the SKDL. However, the majority has given us to understand that a final settlement of accounts will not be interrupted because of this.

The election of Esko Helle, an almost unknown MP to the membership, as the new chairman after Kalevi Kivisto depicts the anemic condition of the SKDL very well. More well known names were simply not available. The Socialists can be satisfied with the fact that the chairmanship is still in their hands. In practice, the chairman's roll can, indeed, fall to General Secretary Reijo Kakela, who is close to the present SKP leadership.

One of the apparent trump cards of the new chairman is that he does not have any visa difficulties for travel to Moscow unlike his two predecessors. This is, of course, an important help in an organization which was once established as a pioneer of friendly relations between Finland and the USSR. The fuss that was raised at the congress over the document concerning the attitude to be adopted toward the Soviet Union seems to portend difficult times for the new chairman in this respect.

10576

CSO: 3617/118

POLITICAL

FINLAND

# PAPERS VIEW NEUTRALITY ISSUE DEBATE

Helsinki HUFVUDSTADSBLADET in Swedish 6 Jun 85 p 2

[Editorial Roundup: "Today's Discussion"]

[Text] Growing caution seems to have dominated Finland's foreign policy line after some striking positions were taken at the beginning of Mauno Koivisto's period as president, wrote Erkki Pennanen in HELSINGIN SANOMAT. He wondered if Urho Kekkonen would have held as low a profile as his successor with regard to the arrival of the Euromissiles and the marketing of the Star Wars program. Elsa Etelainen expressed deep concern in the Center Party's major organ about anti-Soviet phenomena and mentioned in addition to the Abo professors certain publicists and especially the tendencies of young people to drift aimlessly. The insurance companies' publication stressed the importance of Swedish-language service and urged its employees to improve their skills. The meeting of the environmentalists in Abo was commented on by several newspapers.

## Finland's Line and the Abo Professors

In HELSINGIN SANOMAT editor Erkki Pennanen reported on the study professors Dag Anckar and Krister Stahlberg made of our neutrality as expressed in speeches and statements by the president and leading foreign policy people. Pennanen noted that President Koivisto's speeches are usually drafted by the Foreign Ministry but that they are often given a definite final form at the highest level and that Koivisto has his own experienced foreign policy adviser, Jaakko Kalela who also advised Urho Kekkonen for a long period of time. The president also plays a central role in writing his own speeches.

"On TV Koivisto referred to the fact that Kekkonen had begun to speak less about neutrality, having learned from the experience of differing views of communiques at the beginning of the 1970's. Actually Kekkonen warned against overstressing the principle of neutrality, especially in the context of relations between Finland and the Soviet Union. In his latest book Soviet writer Yuriy Komissarov also noted this statement.

"Koivisto has undoubtedly read Kekkonen and Paasikivi carefully. The alpha and omega of Finnish foreign policy is to gain the trust of the Soviet



Union. That is why Koivisto has considered it wise from the beginning of his term in office to use the word neutrality cautiously and in a form that is sure to be accepted by everyone.

"As Foreign Minister Paavo Vayrynen recently explained in a newspaper interview, the difference lies in how Finland itself defines its neutrality line, how it is defined in the mutual relations with the Soviet Union and how the Soviet Union wants to use it in various contexts.

"The ambiguity in the definition is caused by the fact that the basis for relations between Finland and the Soviet Union is the VSB [Friendship, Cooperation and Mutual Assistance] pact, not Finland's neutrality policy.

"The Abo professors' conclusion that the foreign policy line has shifted to the East seems much too sweeping. It seems to have its starting point in a symmetrical neutrality on which Finland's foreign policy has never been based.

"It is equally difficult to find such a shift in concrete standpoints. Anckar and Stahlberg refer to actions in the United Nations in connection with the bloodbath in Lebanon, Grenada and first-strike use of nuclear weapons. After these events, which occurred at the beginning of Koivisto's presidential period, Finland's line seems to have been marked by growing caution in any case. And moralism has not raised its head either, at least in the president's speeches.

"One might ask for example if Kekkonen would have been able to keep such a low profile in connection with the arrival of the cruise missiles in Europe or the marketing of the Star Wars project."

#### Hawks in Flight

In the Center Party's SUOMENMAA, columnist Elsa Etelainen noted the tendencies toward anti-Sovietism and pinprick policies. She included not only Dag Anckar and Krister Stahlberg in this indictment but also Kari Suomalainen's sketches in HELSINGIN SANOMAT and young people who seem to drift with the wind.

"In our heart there is a nagging question. To what extent do these academic and journalistic channels reflect a more widespread hostility to the Soviet Union--will this turn out to have been a fleeting fad?

"Professor Sune Jungar seems to have taken up the same question a while back in ABO UNDERSATTELSE. He wondered in his column why Finnish young people have such a negative attitude toward the Soviet Union and why they have negative feelings about Soviet citizens.

"We do not know what Jungar bases his own view of Soviet hostility among young people on, but we can report our own experience of the agitation caused by a remark made by an adolescent boy on a beautiful summer evening in the center of Hagalund.

"Only one sentence reached our ears: 'If I knew some guy was a Russian I'd kill him.'

"When the hawks spread their wings in flight the sensitive minds of children can drift with the wind. An enticing cry may be heard even if the birds are not always visible. What good does the Conservatives' so-called 'pure neutrality' do us then?"

6578

CSO: 3650/262

POLITICAL

FINLAND

YOUTH ATTITUDES TOWARD SOVIET UNION VIEWED

Helsinki HUFVUDSTADSBLADET in Swedish 6 Jun 85 p 2

[Editorial by Bjorn Mansson: "Young People's Attitudes toward USSR"]

[Text] The problem of the negative attitudes Finnish young people have toward the Soviet Union is discussed here by Bjorn Mansson, who calls for providing more information about our eastern neighbor and freer contacts between Finnish and Soviet young people.

In a recent column in AU (see press reports in Sunday's issue of HUFVUDSTADS-BLADET) history professor Sune Jungar did an admirable job of examining the problem of the negative attitudes toward the Soviet Union that seem to be spreading among young Finns. The topic is also the subject of a broad investigation by a research group under the leadership of Dr Aimo Minkkinen in Tammerfors. The results, not all of which have been published yet, are discouraging with regard to relations with neighboring countries.

A selection of essays, most of them written by secondary school students, showed that over 90 percent of young people have a negative or very negative image of the Soviet Union. This is based on negative ideas about such things as leisure-time activities, the standard of living, the quality of products, the supervision of both foreigners and Soviet citizens, the political (one-party) system and respect for human rights. It is worth noting that at least young people do not seem to be afraid of Soviet aggressiveness toward this country. That can always be seen as a "consolation."

In his column Professor Jungar presented several possible reasons for the negative attitudes. Among other things he mentioned the universal prejudice against other cultures, the language barrier, the difference between our social systems and the "historical ballast." It is undoubtedly also an accurate observation that our young people "exhibit a paradoxical combination of arrogance and inferiority complex." The latter applies to Western Europe and America--not to mention Sweden. According to Jungar's theory this complex is then expressed in a need to compensate by finding someone who is "even more hopelessly unsophisticated"--and Soviet citizens provide a suitable target in this respect.

In this context Jungar pointed out that the commercial western youth culture that prevails in Finland is not exactly "generous toward deviators." The idealization of the American lifestyle is also a problem, not only in relation to the Soviet Union but also in light of the opportunities of the national youth culture to assert itself.

Jungar also mentioned--and this may be the most important factor--the lack of information about the Soviet Union. And, it should be added, the lack of reliable and adequately "sound" critical information. To quote Jungar: "A passive repetition of the rosy picture painted by the Soviet Union itself does not fool young people who are exposed to so much alternative information." Here his analysis is right on the mark.

People's Democrat Keijo Savolainen, head of the radio broadcasting system, in a contribution that attracted wide attention and was unfortunately labeled as "anti-Soviet," spoke of the official picture given of the Soviet Union and the reality that a growing number of Finns have experienced during their travels as tourists in that country.

One cannot ignore the fact that a growing number of young people have now seen the big shortcomings in Soviet society for themselves along with its more positive aspects: the lack of products, people standing in line even for things like food, the technology that sometimes functions poorly, the strict surveillance of both foreigners and Soviet citizens, the suspicions the authorities harbor about tourists and last but not least the phenomena of "black market" currency exchange and the "unofficial" demand for western products.

Since negative attitudes toward a neighboring country and people can eventually become a real problem it is important to pay serious attention to the phenomenon in good time. But this should not be done by following the guidelines often recommended by the minority communists, for example, e.g. demands for censorship and "disclosure of anti-Soviet activity and of capitalist, CIA-inspired conspiracies against friendship between our countries." This kind of thing could easily have the opposite effect.

We cannot do anything about the cultural and political differences between our countries. One cannot expect all Finnish young people to uncritically embrace the Soviet social system, for example. But we can expect understanding and tolerance and above all respect for the right of another people to their own identity and their own system.

Since inadequate knowledge always breeds prejudice, information about the Soviet Union must be expanded and disseminated. Sune Jungar looked at the Finnish-Soviet Society, but decided that the society would have to change its strategy. It is probably more important to look at our school system and the mass media, for example. They have the major responsibility for the communication of accurate information that is not influenced by idealization or negative prejudices. But that calls for openness on the part of the Soviets too.

Professor Jungar also mentioned another problem that cannot be solved by Finnish efforts alone: "The way in which the policy of friendship with the Soviet Union is implemented does not appeal to young people with their demands for natural and spontaneous contacts and their dislike of stilted phrases and semi-official declarations." It could hardly be said better.

The description is especially apt with regard to cooperation on the youth level. Everyone who has taken part in a single so-called delegation visit to the Soviet Union knows how strict, bureaucratic, wordy and often directly unintellectual, unnatural and far from spontaneous the official so-called youth exchanges between our countries are. Is it possible that similar mistakes are made when Soviet young people visit our country?

Here we must try new and freer methods if we really want to do something about the problem that so many young people in Finland seem to have a bad opinion of their eastern neighbor country. Only an open debate and straightforward contacts between ordinary young people in both countries can help to dispel the prejudices.

The problem must not be ignored due to misguided considerations of the friendly relations between our countries. These relations are the very reason why the problem should be taken seriously.

6578

CSO: 3650/262

POLITICAL

FINLAND

PAPER SEES SOME MERIT IN VIEW FINLAND TILTING MORE TO USSR

Stockholm DAGENS NYHETER in Swedish 16 Jun 85 p 2

[Editorial: "Finland's Difficult Neutrality"]

[Text] Criticism of Finland's neutrality usually comes from abroad. Churlish observers in the Western world often dismiss the country's dependence on good relations with the Soviet Union with a bad cliché. It comes as more of a surprise when the president of the republic is reported, in a scientifically conducted domestic study, to have strayed from the right path.

Most people realize that Finland's policy of neutrality is special. At the European Security Conference in Stockholm, for example, there is no doubt that the country belongs in the group of neutral and nonaligned states. From its independent position, it is making a superb, active, and constructive contribution at that conference. It is naturally odd, however, that a state regarded as neutral should have a treaty of friendship and cooperation with its superpower neighbor. Were it not for Finland's historically courageous and tenacious struggle for its existence and its territory, many more people would probably have found it difficult to accept its claim of neutrality.

In no other nonaligned state would a major newspaper be able to write--as HUFVUDSTADSBLADET recently did--that neutrality is a "controversial idea."

It is remembered that in his book "The 38th Floor," veteran diplomat Max Jakobson relates that in 1970, the Soviet Union did not want to include a passage concerning Finland's policy of neutrality in a joint communique. President Kekkonen managed to retain the wording in question, which had been a tradition for many years, by putting his own position on the line. But only a year later, Finland had to be content with seeing its "peace-loving policy of neutrality" mentioned only as an "aspiration": the Soviet Union had prevailed in its intention to downplay the entire idea.

Two researchers in Turku--Krister Stahlberg and Dag Anckar--are now claiming that since coming to power just over 3 years ago, President Mauno Koivisto has nudged Finland's foreign-policy line in a direction slightly more friendly to the Soviet Union. They base their conclusion on a scientific study of the frequency with which the word "neutrality" and related expressions have appeared in 68 presidential speeches and 56 speeches by other Finnish decisionmakers.

Their material was published in an environment of debate which, for better or for worse, is seen as testifying to a "new freedom" under Koivisto as president. Criticisms and attitudes are being expressed which it was considered unthinkable to bring up without risk in Kekkonen's time. This does not mean that they have been allowed to go unchallenged--quite the contrary.

A book on the Terijoki government--which was the Soviet Union's attempt, by setting up a docile government of its own, to undermine the legality of the real Finnish Government during the 1939-1940 Winter War--is rejected by one reviewer as being "pinpricks intended to offend and irritate." With concern that is understandable in itself, there is a debate over a selection of high school essays showing that 90 percent of the young writers are negative or very negative in their attitude toward the Soviet Union. Several participants in the debate are deciding that those young people are poorly informed and that they idealize the American lifestyle; the book is regarded as quite enlightening.

On the other side, Prime Minister Kalevi Sorsa has criticized the United States for its space defense project and its policy on Nicaragua in a way that would not have been possible if his target had been the Soviet Union. When eyebrows were raised, it was explained that Sorsa was speaking only as party chairman! In this case, too, it can be noted how irritated many people are by critical remarks to the effect that highly placed Finnish officials treat the two superpowers too differently.

The study by the researchers in Turku and their assertion that Koivisto uses the concept of "neutrality" not only more sparingly than Kekkonen did but also less frequently than the supercautious Paasikivi have been rejected by the president. He says that their method can be used to prove anything. A number of newspaper commentaries give expression to the prevailing opinion that Finland can never show "symmetry" in its relations with the superpowers.

Koivisto's "low profile" is described as reasonable, and some hazard the guess that not even Kekkonen would have refrained from criticizing the United States for its cruise missiles and its "Star Wars." In the center stands the general need to retain the Soviet Union's confidence. What no one really wants to admit is that the two critical researchers might be right about a new trend.

But HUFVUDSTADSBLADET, to mention one example, finds the Turku study useful. The newspaper spotlights the distinction that Minister of Foreign Affairs Vayrynen makes in practice between 1) Finland's own definition of neutrality, 2) the Soviet Union's choice of words, and 3) joint Soviet-Finnish statements.

Certainly many Finns are inclined to accept and make that distinction. The problem is that at least the gap between what Finland itself says and what it subscribes to must not become too wide--if credibility is to be maintained.

11798

CSO: 3650/264

POLITICAL

GREECE

## ND REQUESTS EXPLANATIONS ON INCREASED VOTERS LISTS

Athens I KATHIMERINI in Greek 14 Jun 85 p 1

[Excerpt] A major political issue is emerging from the government's refusal to furnish all the official data, sought yesterday by New Democracy, concerning the exorbitant increase in the number of people who voted in the 2 June elections and the exceptionally widespread use of the civil and military employees' ability to vote on the basis of special lists. A special conference, which took place yesterday and was presided over by the leader of the official opposition, Konstandinos Mitsotakis, verified that doubts are being created "about how much those registered and those voting really correspond to the number of Greek citizens having the right to vote"! More specifically, ND considers it the government's essential duty to justify a difference of 300,842 registered, and a second difference of 457,882 registered, on the computer and on the voters lists. Irregardless of the government's position, New Democracy, seeking a full settling of the issue for its first runner-up in every electoral district, requested photocopies of the electoral material from the appropriate courts of first instance.

Late at night, the government, through the minister of interior, reacted to ND's related communique and charge. Minister Koutsogiorgas stated, in particular, that ND's accusations are an attempt to justify the "great defeat" it suffered in the elections. (Note: ND avoided referring to the validity of the electoral result, confining itself to demanding an answer to the questions it posed.)

In addition, the minister of interior cites "national security" reasons for not handing over the special lists of military employees! And he claims that he has already given explanations for "the imaginary difference in those registered."

Political observers noted that the government's answer is secondary to the issue which has emerged, to the extent, in fact, to which it was placed yesterday by the official opposition.

They also observed that it is the first time two of the three large parties (ND and KKE) have posed similar questions and have demanded that explanations be given, supported on firm documents of proof.

### The Communique

The full text of the ND communique is as follows: "A conference took place today (13 June), presided over by the party's president, Konstandinos Mitsotakis, in



which the results of the enquiry into the numerical data of the 2 June elections were examined. The appropriate committee, which had undertaken the enquiry into the matter, presented the data emerging from comparisons of those registered on the voters lists, those reported as registered in the results issued by the Ministry of Interior's computer, and those voting in the 1981, 1984 and 1985 elections."

"From the comparison of data, many questions arose which create doubts about how much those registered and those voting really correspond to the number of Greek citizens with the right to vote. Also, it was pointed out that, unquestionably, the ease with which multiple registration of voters was allowed on regular and special voters lists (more than two), regardless of the result, made double voting very easy."

#### The Data

In particular, the following observations were made at the conference;

1. The total number of those registered on the voters lists increased, from 1981 to 1985, by 772,167 people. This number is significantly higher than the increase in the electoral body derived from the normal entry of those born in 1962, 1963, 1964, 1965 and 1966, after elimination of those who died in the period 1981-85. The resulting difference amounts to 300,842 registered, whose appearance requires an explanation.
2. Those reported as registered in the results of the Ministry of Interior's computer number 457,882 more than those registered on the official voters lists. The Ministry of Interior's explanation is that this number results from the members of the Supervisory Committees, the Garrisons and the "special departments." But this cannot be checked since, although the Ministry of Interior stated it would give the related data to the parties on 11 June 1985, this date has passed without any further data being furnished.
3. Comparing the number of voters between 1981 and 1985, an increase of 668,874 is seen, which is 252,346 more than the new voters acquiring the right to vote in this period. It is, at any rate, absolutely necessary to justify with official data the source of these voters, as well as the way they were registered on the voters lists.

It was observed that there was extensive use of the provision in Article 12 of Law 1516/85 which allows the unit's commander to compose special lists of names, as long as there are special service reasons, on the basis of which military troops can vote without these lists having been checked by the Court of First Instance, as happens for every kind of registration on voters lists or special lists.

9247

CSO: 3521/273

POLITICAL

GREECE

# EASTERN BLOC INTEREST IN MOUNT ATHOS QUESTIONED

Athens ENA in Greek 16 May 85 p 17

[Text] On 29 April the president of ND, K. Mitsotakis, sent a memorandum to the religious community, to all monasteries and to the Ecumenical Patriarchate in which it was stated that no Greek political party can be conceived that is not based on the tradition as held and safeguarded on Mount Athos.

According to diplomatic circles, the initiatives of both the government and K. Mitsotakis coincide with a strong interest in the cultural heritage of Mount Athos expressed by Eastern bloc countries, such as the USSR and Bulgaria.

In essence, the academic establishment of the Soviet Union has begun to express a systematic interest in Mount Athos ever since November 1981 when the prestigious literary magazine of the USSR, LITERATURNAYA GAZETA, published an article by stage director Goutram Pataraya entitled "Undiscovered Islands of Treasures."

The Soviet director proposed the foundation of a special center to coordinate the cataloguing, description and study of Russian cultural treasures abroad. Pataraya also pointed out the areas where the Soviet interest should initially be directed. The first places on the attached list were Mount Athos and Palestine.

The views of the Soviet director were repeated a few years later by officials having greater jurisdiction, such as Nikolai Filippov of the Council for Religious Affairs of the Council of Ministers of the USSR and, by the summer of 1983, the first mission for the study of the manuscripts of the non-Greek speaking monastery of Agios Pandeileimon left Moscow. The Greek government did not grant permission to conduct research at the monastery, but the Russian monks and scientists had the opportunity to study the manuscripts of the Patriarchate's Studies Institute in Salonica.

In addition to this, the USSR is systematically interested in staffing the Agios Pandeileimon monastery with Russian monks. According to information at hand, the matter of cloistered life in the foreign language monasteries, and especially in the Agios Pandeileimon monastery, was discussed by the 20-member extraordinary double [sic] Sacred Congregation on 29 April.

Well-informed circles reported that the Russian-speaking monks number about 30 and that, according to Article 105 of the Constitution, any novice or monk living

on Mount Athos acquires Greek citizenship.

In the meantime, according to reports from Mount Athos that have come into the possession of Keston College [British Research Center] in August 1983, during his visit to Agios Panteleimon Monastery the head of the delegation of Moscow's Patriarchate, Archbishop of Zarskoye, Iov [Job], called a meeting of all the monks who came from the USSR and pointed out to them that although they may have acquired Greek citizenship, they continue being Soviet nationals.

A month earlier, in July 1983, members of the Soviet Embassy in Athens visited Agios Panteleimon Monastery and informed the monks living there that they must pay their respects to the embassy of the USSR every 7 November, the anniversary of the Bolshevik Revolution.

These facts do not leave any doubt in the minds of Western observers about the political connotation of the Soviet interest in Mount Athos. Of course, the interest of the USSR in the Russian manuscripts of Agios Panteleimon is not without foundation, as these same observers emphasize, but the Greek government should provide for Greek scientists to undertake the cataloguing and systematic study of the manuscripts.

A very strong interest in Mount Athos, and especially in the Zografos Monastery, is expressed by the Bulgarian government as well, especially in the context of research and the establishment of the cultural and national identity of the Bulgarians. It should not be forgotten, reliable observers emphasize, that the author of the first history of the Bulgarians is the monk Paisios, a resident of the Khilendarion Monastery.

Diplomatic sources report that, even in contacts at the highest level, the Bulgarian side expresses interest and discusses the subject of the Zografos Monastery. In the meantime, officials having jurisdiction emphasize that subjects of this kind are regulated by existing laws and attempts to impose conditions or to lodge claims can even be characterized as being "immoral."

On this matter, Church officials emphasize that the Ecumenical Patriarchate exercised and exercises the oversight of the monasteries at Mount Athos and that both the monastery of Agios Panteleimon and Zografos Monastery always reported to the Patriarchate and not to the Russian or Bulgarian Church.

It is maintained by reliable observers that the above-mentioned indications could be considered as being demonstrations with no political interest if, in the past few years, Bulgaria had not been undergoing a period of readjustment in its cultural identity by systematically altering history.

In addition to the unfortunate attempt to usurp Apostles Cyril and Methodius, Sofia is attempting to claim as a Bulgarian national the Greek hymn composer Ioannis Koukouzelis-Papadopoulos, whose Greek heritage was proven by Yugoslav scholar Andreas Ja Kovljevic in December 1982 in his article in the KLIRONOMIA [Heritage] magazine.

The unusual and therefore disquieting fact in this matter is that, as in the case of the "official" history of Thraki--according to which the Bulgarians are the

descendants of the ancient Thracians--the Western countries sympathetically face Bulgaria's "cultural imperialist trend" vis-a-vis Greece, thus hoping that Soviet-Bulgarian ties will be loosened.

9731

CSO: 3521/261

POLITICAL

GREECE

# GOVERNMENT EXPRESSES RESERVATIONS ABOUT WEU

Athens I KATHIMERINI in Greek 12 Jun 85 p 1

[Article by I KATHIMERINI correspondent in Strasbourg, Kostas Kekis]

[Excerpt] Strasbourg---The political and institutional recovery of the EEC is necessary so the Community can play its role and Europe can escape from the dis-unified and weak condition in which it is found at present. The EEC partners ought to decisively strive to pass from the economic sphere to one beyond the economy, and from the supermarket to an embryonic form of a genuine supnation.

The above assertions belong to Italian President Sandro Pertini, who delivered a speech yesterday to the full membership of the European Parliament. Pertini's speech was further confirmation that all the EEC partners are on their way to adopting a political plan for a united Europe. This issue will be the main topic of discussion at the summit conference which will take place in Milan on 28 and 29 June.

## The PASOK Objections

As is known, the PASOK government has expressed quite a few objections to the plan for a united Europe---a plan on which nearly all the EEC governments are in agreement, and which designates the following: The possibilities of using the "veto" are restricted to the minimum since it is maintained that this political weapon is used for petty nationalistic interests and, as a result, the EEC's development is being hindered. Second, the plan legislates the "Ten's" essential cooperation on foreign policy and defense issues.

The Greek Government's oppositions to the plan for European unity were criticized yesterday by the president of the Christian-Democrats' political group in the European Parliament, Egon Klepsch, who maintained in a press conference that:

"If the 'Ten' do not participate in the decisions and developments of the future, then so much the worse for those who do not follow. The (Greek) government has much room for maneuvering after elections. Let us not forget that the PASOK government won the elections because Greece belongs to the EEC. (PASOK) had said formerly that it would leave the EEC and NATO. It did not do it because it saw it is to its benefit.

"Today, after elections, it has greater maneuvering room to choose its allies and partners. I repeat, however, that if the 'Ten' do not participate in future decisions and developments, then so much the worse for those who do not follow."

9247

CSO: 3521/273

POLITICAL

GREECE

BRIEFS

YUGOSLAV PROTEST--According to reports from our correspondent in the Yugoslav capital, immediately after Mr. Khr. Sartzetakis' speech in Verroia ("Makedonia is Greece's Greece"), the minister of Foreign Relations of Yugoslavia called the Greek ambassador to his office and communicated to him his government's view according to which, similar statements and speeches not only do not help in the development of good neighbor relations, but rather make them worse. The fact was the object of many comments among Greek diplomatic circles as an indication of the diplomatic lack of tact of the new president's advisers and especially of the government which appears to create friction in matters that should be handled differently and need great tact. [Text] [Athens ENA in Greek 9 May 85 p 11] 9731'

CSO: 3521/255

POLITICAL

NORWAY

FRINGE PARTIES SEARCH FOR ELECTION PACTS, COMPLICATE CAMPAIGN

Labor, Conservative Strategies Frustrated

Oslo AFTENPOSTEN in Norwegian 11 Jun 85 p 2

[Op Ed Article by Helge Seip]

[Text] The different ballot combinations that were made possible by the election pact legislation can have various results, according to the author of this article, election expert Helge Seip. Seip has been a Storting representative and minister of municipal affairs and he is the former chairman of the Liberal Party and the Liberal People's Party.

It is interesting to see how the discussion of ballot pacts has now broadened to include new combinations. It was expected that middle-spectrum parties that were already close to each other would seek to form election alliances. A more sensible utilization of middle-spectrum votes was one of the main reasons why the government suggested the entire arrangement. Now, however, constant pressure from SV [Socialist-Left Party] on the Labor Party has created uncertainty on that end of the scale--with support from the party's veteran for those who were expelled when he himself was in control of the party and the nation. At the same time the Progressive Party has sought to establish election cooperation with the Conservatives. This has caused the Conservative leadership to engage in the same political and tactical considerations as the Labor leadership, but at the other end of the political spectrum.

Both these combinations with fringe parties in Storting involve both tactical calculations and political considerations. If the mathematical calculations are applied to past election results there might be some gains from an election pact along these lines, but the latest polls for the Labor Party suggest that there are no guarantees that regular Labor voters will go along with the crude kind of election tactics involved in an election alliance.



## Conservative Statement

If one looks at some of the districts where the Progressive Party, for instance, has proposed an election alliance it is also obvious that the party is more interested in making the Conservative Party issue a statement that it is toeing the right-wing line than it is in gaining more seats in the district from a cooperation between the two parties. The situation in Oslo is characteristic. There is nothing in the number of votes in the last municipal election or in the 1981 Storting election to suggest that a combination of the two parties would produce more seats in the district than they would get if they ran separate lists of candidates. With a method of calculating the seat distribution in which the votes are divided by 1.4, 3, 5, 7 and so forth, all seats in addition to the first two would require considerably more votes. A simple calculation for Oslo, for example, shows that if it takes 14,000 votes to win a single seat on a party list, it will take 30,000 to win two. The second seat would require 16,000 votes, in other words. A third seat would call for a total of 50,000 votes or 20,000 for the third seat alone. Additional seats would also require 20,000 votes each.

## Alternative Calculation Procedure

The municipal election figures show that the Progressive Party is close to winning a seat on its own in relation to both the Labor Party and the Christian People's Party. The latter has safeguarded itself this year with an election alliance with DLF [Liberal People's Party] and the Center Party. The FRP [Progressive Party] strategy is apparently based on establishing an election pact that might attract Conservative voters so that the alternative procedure in the election law with individual calculations for each party would apply. It seems highly unlikely that an election alliance with a joint Conservative-Progressive list of candidates would produce additional seats.

## Confusion

Unfamiliarity with how the election pact rules will work and an unfortunate wording of the law that could make the correct calculation method doubtful in extreme situations with two or more election pacts in one district have created confusion. It will be necessary to use the rules that have been approved in this election, but the criticism of some of the paragraphs in the law should lead to changes if the election alliance system is to be maintained. But it is obvious that the need to be accepted by the Conservatives is the most important thing for the Progressive Party and it is equally obvious that the Conservative Party must reach a decision with a political content in addition to election mathematical considerations concerning whether it should allow Willoch and Hagen to walk hand in hand beneath the election alliance banner in Oslo.

## Labor's Problem

For the Labor Party also the question of an election alliance with SV and SV alone, since the Liberal woovers do not want to enter into a formal election pact, is more a matter of outlining its profile than of winning or losing a few seats in an approaching election. The election strategy that has made foreign and security policy so controversial by putting things in such a way as to exaggerate differences has already created problems with regard to some Labor voters. If in addition to this the party breaks its old principle of not entering into election alliances with anyone and shifts its course drastically to the left, it would have a major impact on the next political contest as well as on future political developments in this country. The Labor Party has certainly not held much debate on this topic in its county and local organizations.

Thus far more is involved than a somewhat elaborate system of calculating votes for parties that join forces in a technical election pact for the next Storting election. Many would say that it is unrealistic to think of Norwegian politics without a party to the left of the Labor Party if the latter intends to continue to pursue a Social Democratic course. It is considerably more doubtful whether there will continue to be room for a party to the right of the Conservatives. This will depend largely on how the Conservative Party's relationship to the middle parties develops in the future.

## Communist Party Hunting Alliances

Oslo AFTENPOSTEN in Norwegian 11 Jun 85 p 5

[Text] The Norwegian CP must now enter into a discussion of election alliances with renewed contacts with the Labor Party and SV in each county. So said Norwegian CP organizational secretary Bjorn Naustvik, who also urged the union movement to become active in efforts to promote cooperation among socialist parties. He was amazed that election pacts have been turned into a question of mathematics. "The parties with roots in the labor movement should now realize the opportunities provided by election alliances to defeat Willoch," Naustvik said.

6578

CSO: 3639/121

POLITICAL

PORTUGAL

POPULARITY OF PRESIDENT SHOWS SLIGHT DECLINE

Lisbon O JORNAL in Portuguese 31 May 85 p 12

[Excerpt] The president of the republic continues to be the official entity which has the best image before the voters. Despite this, according to a poll taken by Marktest for O JORNAL, he was the only one who saw his level of popularity decline during the month of April. Between February and April, the good image of the president of the republic declined four points, while that of the government rose two points and that of parliament rose one.

Despite the decline of the president of the republic and the rise of the government and the Assembly of the Republic, the difference among these bodies is profound. Actually, for 27 percent of the voters (compared to the 31 percent of February) the president has a "good" or "very good" image, while only four and three percent say the same with respect to the Executive and the Parliament.

With respect to those who believe that the bodies of sovereignty have a "bad" or "very bad" image, their number declined in April. All the bodies of sovereignty saw their levels decline in that evaluation. In the case of the president of the republic, it declined one percent (from 15 to 14 percent), in that of the government it declined three percent (from 62 to 59 percent) and the Assembly of the Republic by three percent also (from 54 to 51 percent).

The positive percentage of the president of the republic declined slightly but it is still higher than the figures for August and October last year. In the case of the government, the percentage for April is higher than for all the others since August 1984. This increase is slight although percentage wise it doubled (from two to four percent), but this could be due to the fact that the poll was taken after the announcement of the entry by Portugal into the EEC. However, the negative percentage of the government (51) is higher than the average found last year, which would mean that there are more people who are dissatisfied with the government despite the fact that some began to believe in it more.

## Government Viewed More Favorably in Porto

The popularity of the government is higher on the average in the region of Porto, where it reaches nine percent (compared to two percent in Lisbon) and it is due particularly to the age group over 55 and those between 35 and 44. Surprisingly, among the PS [Socialist Party] voters, the popularity of the government is not very high--only six percent compared to five percent for the PSD [Social Democratic Party], four for the APU [United People's Alliance], and zero for the CDS [Social Democratic Center Party].

The positive percentages of the president of the republic are evenly distributed according to geographic and age viewpoints. With respect to the voters from the various parties, it is clearly high among those of the PS and APU--11 and seven percent, respectively. Even so, it is a more positive grade conferred by these two groups of voters on the president of the republic than that which is given to the government and parliament. It was also recorded that among those who voted for Eanes, 38 percent believe the image of the president to be good.

The bad image of the government (59 percent) is particularly prevalent among the young from 18 to 24 years-of-age, young people who form a large reserve for the activities of all the bodies of sovereignty, to judge by their numbers. However, the bad image of the government is primarily centered in the Lisbon Region, where it reaches 65 percent of negative votes and, obviously, among the voters of the APU where it reaches 90 percent.

The president of the republic has a poorer image among the young and also among the CDS voters, where 41 percent of them had reservations about presidential actions.

### Technical Note

The present study is representative of the population of Continental Portugal eligible to vote (over 18), residents in places with more than 10,000 inhabitants.

In the week between 19 and 30 April 1985 [as published] 494 persons were interviewed in 16 locations.

The selection of the individuals was made by the method of quotas, with sex, age and region used as control variables.

8908

CSO: 3542/191

POLITICAL

PORTUGAL

## NEW POLL SHOWS FREITAS DO AMARAL AHEAD OF PINTASILGO

### Surprising Turn of Events

Lisbon SEMANARIO in Portuguese 25 May 85 p 9

[Text] The impossible--or with good will--the esoteric, could not continue forever: Pintasilgo, the unbeatable, finally found someone who could beat her in the serene figure of candidate Freitas do Amaral, who would have a lead in the first round and defeat her in the second. Soares, says the poll, would be eliminated in the first round. But supposing he was not? Against the professor he would be defeated soundly in the decisive round; against the engineer it would be a hardfought and uncertain fight until the last vote was cast at the last voting poll.

We do not ask ourselves why: The reliable and efficient Norma of international renown made the survey. Portuguese of equal status, selected according to the precepts of which the technical note speaks, placed crosses on paper, the computer did the accounting and the numbers arrived virginal and mute to SEMANARIO, which reveals them. There is no machination--and we are not oracles. Why is it that Soares persists in obtaining such low ratings? The Soarism which we encounter day after day in flesh and bone is only 12.9 percent of the country?

Let the country explain. We only have the democratic right of conjecture. We can guess, for example, that the presidential credit of Soares will rise as of the moment when the phase of the precampaign dinners with the knowing smiles is over and he will appear as a candidate with a program as clear as the rest. It would also not be out of place to cite the difference between the psychology of a person being polled and the person doing the voting. The citizen tends to be more daring in the "intention" to vote--in which he risks nothing--than when it comes to voting, which will have consequences on his worldly life. It also remains to take note that Soares is governing--a very patriotic attitude on his part, but which appears not to be very much appreciated by the country.

### The Time of Freitas

However, enough of the Soarist misadventure, the revolution is Freitas in this first poll after his entry into the competition. It is also the first in which instead of more or less phantasmagoric hypotheses there are

genuine articles: The three great competitors among whom very probably the race will be decided. The results are in sight.

Those of the professor are spectacular. With 33.4 percent in the first round, he not only pulverizes past records of Pintasilgo in these NORMA/SEMANARIO polls, but it amply exceeds those of the former hypothetical candidates to the right of Soares (Lucas, Firmino or Jardim), who even added together two by two never exceeded 25 percent. They are so spectacular that it would be well to accept them with no less reservation than that applied to Soares, except in the opposite direction. With the psychological shock of the announcement of a candidacy believed impossible, passed, it is not to be excluded that the figures for Freitas become slightly moderated.

At any rate, remember that a poll published by us in March gave surprising witness to the prestige of the professor--at that time removed from the scene--by pointing him out as the second politician in credibility, behind Eanes and ahead of Pintasilgo. Soares was sixth.

On the other hand, note that the percentages obtained by the engineer and the prime minister in this poll are the usual, in no way veering from their average through many months. The novelty is the decline of the candidate "none of these," who for the first time does not win. With the entry of Freitas, the votes become established--particularly in Lisbon and in Porto--there remaining only a swath of 29.7 percent to be distributed. Well, it will come to decide everything.

#### First Round

Viewed in detail, the charts have much to say. In this country, reduced to six cities, Freitas--who in all of them would go on to the second round--wins the first round in Lisbon (47.6 percent) and Vila Real (both ardently Freitas supporters, that tendency in the case of the capital weighing heavily in the overall poll) and also in Coimbra, although more than half of Coimbra continues to wait on D. Sebastiao. The Pintasilgo bastions are Porto (31.1 percent) and Evora (28.7 percent), where she wins, to come face to face (as in Lisbon and Vila Real) with Freitas in the decisive round.

In the first round, Soares is left with the consolidation of a timid victory in Viseu, which like Coimbra, would give him the opportunity to clash with the professor in the second round, defeating him.

#### Freitas-Pintasilgo

However, one city by itself does not decide, and if the overall results of Chart I were to be confirmed, all would finally have to choose the future president between Freitas and Pintasilgo, the hardest fought of the second rounds, the roughest for Freitas. Not only would the 12.9 percent offered to Soares in the three-way fight be distributed to the last drop--but in unknown proportions--between the two surviving contenders, but persons who had remained at home during the first round would now hasten to go vote.

Before an intensely polarized country, Freitas would have to sweat out the final victory. Porto and Evora remain loyal to Pintasilgo and Viseu will also elect the engineer, who will garner almost all of the Soares booty. In Coimbra, on the other hand, the Soares followers would almost all transfer to the professor, who will finally reach Belem with the enthusiasm of Lisbon and Vila Real, where the socialist vote, generously distributed to the two camps, would not change the original preference for Freitas.

Freitas Soares

But imagine that Viseu and Coimbra are the ones who are right and things conclude with an exciting Freitas/Soares battle. How would it come out?

In Coimbra, Freitas--the only case--would have fewer votes than in the first round, which would mean that those who would go vote because of the Pintasilgo danger would no longer feel the need to vote against Soares. He would win in a climate of heavy abstentions and with a few more votes than in the first round.

In Viseu the former voters of Pintasilgo would now go out into the streets to defeat Freitas, supporting Soares.

It is said that in order to destroy the prime minister, the communists would not hesitate to vote for the former number two man of the AD [Democratic Alliance]. That would also happen in Evora at that time. Although Soares almost doubles his percentage with respect to the first round, Freitas would receive enough reinforcements to win.

As far as Lisbon and Vila Real, they continue not giving the Socialist chief any chance. He is beaten worse in the capital than anywhere else.

In summary, Freitas do Amaral with exactly twice as many votes, would achieve an almost too easy victory, almost painfully too easy, against Mario Soares.

Soares--Pintasilgo

The rest of the scenario--which none of the six cities concedes--of revenge between the two supposed candidates of the left; a fierce combat would be decided here by a tenth of a percentage point in favor of Pintasilgo.

In Evora and Porto, both her firm supporters, she would win.

In Lisbon and Vila Real, firm Freitas supporters and notorious anti Soares cities, the horrified supporters of Freitas would switch to Soares, betting in the last quarter hour on the lesser of two evils, who up until then had been considered an enormous evil.

The semi Soarist Coimbra would naturally elect Soares.

The Soarist Viseu would vote as little as possible for Pintasilgo, who because of the voters of Viseu would not even pass on to the second round!

## Balance

Coimbra gives the victory to Freitas in the first round and he goes into the second round with Soares and the latter wins. But in a second round in which Pintasilgo enters, she is beaten by either of the two.

Evora gives the first round to Pintasilgo and she goes into the second round with Freitas and he wins. However, in a second round in which Soares participates, he will be beaten by either one.

Lisbon gives Freitas the win in the first round and he goes in to the second with Pintasilgo and beats her. She will also lose in a second round against Soares and in a second round against Freitas. Freitas always wins, Pintasilgo always loses.

Porto gives the victory to Pintasilgo in the first round, who goes into the second with Freitas, defeating him. In a second round, in which Soares is entered, Soares would be beat by either one.

Vila Real gives the victory in the first round to Freitas, who goes into the second round with Pintasilgo, defeating her. He would also defeat Soares. Soares would defeat Pintasilgo, however, Freitas wins in any case. Pintasilgo is always beat.

Viseu would give the victory to Soares in the first round, who would go on the second with Freitas, defeating him. But if Pintasilgo reaches the second round, she would defeat either of the others.

## Peace

There would be no great conflict of sexes or generations because of these presidential elections. There is little to say. Freitas and Pintasilgo are more voted for by women than by men. The feminine contingent continues to be allergic to Soares. Among the voters for the professors there is a predominance of citizens over 45; among those for the engineer are those under 45. That is all.

## ...and War

The class options already appear to be instructive: The higher class is with Freitas, the lower has closed ranks around Pintasilgo, the middleclass is hesitant--none are with Soares.

The credit of Freitas declines in the direct proportion of the socio-economic status of the person polled: 44.1 percent in the class A/B, 2.1 percent in Class C, 11.8 percent in D. We turn to the figures of the first round, where he emerges as elected by the rich and well-off, despite the greater fervor of the former.



Round 1  
FREITAS, PINTASILGO, SOARES

	TOTAL	Cities				Sex		Age			Soc/Eco Status		
		Coimbra	Évora	Lisboa	Porto	V. Real	Viseu	M	F	18 a 44	45 ou +	A/B	C D
Freitas do Amaral	33.4	16.9	21.3	38.6	25.9	35.6	18.6	31.3	35.2	30.5	36.0	44.1	31.1 11.8
Lourdes Pintasilgo	24.1	12.2	28.7	22.4	31.1	17.8	17.2	23.4	24.6	27.2	21.1	18.0	25.3 36.2
Mário Soares	12.9	14.2	12.7	8.9	22.2	15.2	20.6	15.2	10.8	13.2	12.6	12.3	13.9 4.9
Nenhum destes	1	23.2	25.0	31.4	24.9	20.8	18.7	27.9	18.9	25.1	25.5	18.9	24.6 26.7
Não responde	2	6.5	31.7	5.8	5.1	10.6	24.9	2.2	10.4	4.0	8.8	6.7	5.1 20.4

Round 2  
FREITAS, PINTASILGO

	TOTAL	Cities				Sex		Age			Soc/Eco Status		
		Coimbra	Évora	Lisboa	Porto	V. Real	Viseu	M	F	18 a 44	45 ou +	A/B	C D
Freitas do Amaral	41.2	17.0	30.3	47.6	32.8	45.3	20.6	41.6	40.9	39.9	42.4	60.2	36.4 11.8
Lourdes Pintasilgo	33.6	13.0	37.1	32.7	41.2	20.8	30.3	39.4	28.5	36.2	31.3	22.9	36.2 51.8
Não votaria	3	17.7	33.1	13.8	22.1	22.8	25.5	16.1	19.1	19.0	16.5	11.7	20.2 16.0
Não responde	7.5	36.8	3.8	6.0	3.9	11.1	23.5	3.0	11.5	5.0	9.8	5.1	7.2 20.4

FREITAS, SOARES

Freitas do Amaral	42.0	15.0	28.7	48.6	34.0	45.3	20.0	45.4	39.0	38.8	45.0	55.9	38.2 23.3
Mário Soares	21.0	16.2	23.2	18.3	28.2	22.4	31.7	23.4	18.9	23.7	18.6	19.5	23.2 4.9
Não votaria	29.5	32.1	35.8	27.1	34.8	21.7	25.5	28.5	30.3	32.9	26.3	17.7	32.1 51.4
Não responde	7.5	36.7	12.3	6.0	3.0	10.6	22.8	2.7	11.8	4.6	10.2	6.9	6.5 20.4

SOARES, PINTASILGO

Mário Soares	31.6	19.2	18.4	35.2	27.3	32.9	22.0	32.8	30.5	28.6	34.4	43.2	29.5 4.9
Lourdes Pintasilgo	31.7	14.0	34.7	31.0	38.1	17.8	24.1	32.3	31.1	37.4	26.4	23.3	32.4 59.6
Não votaria	29.3	31.1	36.0	28.9	28.8	38.7	30.4	30.8	28.0	29.6	29.1	26.3	31.9 15.2
Não responde	7.4	35.7	10.9	4.9	5.8	10.6	23.5	4.2	10.4	4.4	10.2	7.2	6.3 20.4

1. None of the above
2. No answer
3. Would not vote

Pintasilgo defines herself as the social opposite of the professor. Her appeal grows in the exact degree that education and money decline: 18 percent, 25 percent and 36 percent.

Soares concentrates his few admirers in the higher class, particularly the middle class and is openly despised by the lower class.

The heavy mobilization of the poor by Pintasilgo is impressive (she is given more than 50 percent of their votes in a second round against Freitas and almost 60 percent against Soares), and impressive is the mobilization of the rich against Pintasilgo (if necessary they will turn to Soares to smash her).

The middle class, which does not know which way to turn, is inclined toward Freitas but prefers Pintasilgo to Soares.

#### Technical Note

Universe: Portuguese population over 18 years of age living in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu. Sampling: 598 persons. Sampling: Conditional, stratified by cities, nonproportional by imputation. Selection: Conditional by the random route for domiciles and by the Kish method for interviews of individuals. Technique: Direct and personal interview by means of a structured questionnaire at the home of the interviewee. Points of the sampling: Six cities in which starting points were selected. Field Work: Interviews made in the period between 10 and 16 May 1985. Margin of error: The total error level is  $\pm 4$  percent in an interval of reliability of 95 percent for  $p = 50$  percent. Responsible Institute. The poll was conducted by NORMA, SARL, Portuguese member of Gallup International.

#### Comment on Soares Decline

Lisbon SEMANARIO in Portuguese 25 May 85 p 3

[Editorial by Victor Cunha Rego: "The Last Minutes"]

[Excerpt] It is a bad sign when the candidates, as is happening in the Congress of the PSD, which has seen power escape from it, lose their heads and blame the media. It is worse still when they disdain public opinion polls.

SEMANARIO chose to publish polls a year ago as one of the more reliable ways of reporting on electoral trends. We did not do this because of a whim and much less to save money. The results do not depend upon us, the questionnaires are clear and the expenses are large. We did it because in this country up to this time polls are never mistaken.

Today we publish a poll which places Dr Mario Soares in an almost irrecoverable position as far as his presidential pretensions are concerned.

It is natural that the announcement of his candidacy has placed Freitas do Amaral above the average in coming weeks but the level of Pintasilgo and Soares remain the same, constant, as those of the polls which have taken place in past months.

For a long time figures have shown that Soares is having difficulties. For a long time the reason for it has been known.

In 1976 the now prime minister did not want to change agrarian laws, laws on urban rents and labor laws. He mortgaged the country, without noticing it, to the permanent blackmail of the PC [Communist Party], he allowed the housing problem to become an inferno; and this in the name of socialism, and he prevented the effective management of the means of production, removing any real possibilities from the economy of the market.

It would have cost him few votes to change agrarian laws. To change the other two would have possibly caused the defeat of the Socialist Party in the next general elections and the loss of the post of prime minister. However, the country would be prosperous today and favorable seas for the PS and Dr Mario Soares would once more appear.

Since history is cruel, he concluded by not even winning in the short term. The result was that he was dismissed in 1978 and they lost the legislative elections in 79 and 80.

In 1983, after the collapse of the AD and with the state finances in shreds, Dr Mario Soares should not have given himself the luxury of heading a government with a program of paying foreign accounts at the cost of internal development. It was an ad hoc government without rhyme or reason. However, he went to S. Bento.

Two years later, he arranged foreign accounts, satisfied international creditors, captivated the large(?) businessmen, domesticated part of the statized media and lost almost all the rest.

We continue without agrarian laws, laws on housing rents and labor laws. The hospitals, the schools, the roads, regardless of how many efforts are made, continue apparently to erode. For each "social" habitation, there are 10 that are not built. For each political subsidy to each company, there are 10 competing companies which go bankrupt. For each permanent worker, there are 10 who cannot find a decent job. And it is of no use to turn the country into an immense casino because for each totolotto, lottery or totobola winner, there are 10,000 losers who feel cheated. The system is impractical; contradictions are now antagonistic and the people want to change leaders. In dictatorships the superstructures could still condition or carry these infrastructures. In freedom it no longer works.

The courageous positions of Dr Mario Soares in the East-West conflict make the PCP untractable and in this country, unfortunately, they are a factor which is not very compensating. Dollars today do not serve for increasing consumption--and votes--but only for paying the interests and services for the foreign debt.

Mario Soares has no chance. To his right he has Freitas do Amaral with a theoretically irreversible margin of votes. To his left Lurdes Pintasilgo beats him. Only a candidacy of the PSD or the withdrawal of one of the two adversaries could save him. Freitas will not do it. Pintasilgo is determined not to do it. And Cavaco e Silva knows what she wants: the government and the power of government.

8908

CSO: 3542/193

POLITICAL

PORTUGAL

U.S. URGED TO DISTINGUISH NATION FROM ANY PARTY, PERSONALITY

Lisbon ODIABO in Portuguese 14 May 85 p 2

[Article by Jaime Nogueira Pinto: "The 'Special American Friend'"]

[Text] With the loss of its overseas territories, Portugal starting in 1974-1975 suffered serious and significant reductions in its national power in terms of the critical mass--territory and population--and in terms of geostrategic potential. With the disappearance of resources from outside Europe, the national economy was also seriously damaged; this brought frustration to a future of accelerated growth of which the Angola boom of 1970-1974 was an example.

On the European continent, the economic-financial weakness deriving from the nationalization of the economy and the collapse of political determination inherent in the mechanisms and the personalities of the party model in force only accentuated these losses.

All of this meant that national independence and the continued existence of the feeling of community increasingly came under the influence of an intelligent policy of alliances or, in other words, the negotiation and administration of the "situations of dependence" in which the events of 25 April and its politicians left us.

Geography and history forced a nation, differentiated in terms of political determination within the geopolitical unit represented by the Peninsula, to enter into an alliance with the dominant maritime power during each particular epoch. The way of life of the Portuguese and their spiritual and Roman-Christian legal-political traditions also lead to a greater affinity with the United States, rather than an alignment with continental sovietism.

Now, this leads to relations between states or between nations and that moreover is not the whole story. With an astuteness devoid of subtleties, Dr Soares presented himself as the "special friend" of the United States, the privileged conversation partner of the "big brother" beyond the Atlantic, the guide and office chief of a welcome Mr Marshall. In poor countries and in the countries of rapacious socialism, the individual who brings cash or who deals with the person who has it will gain great prestige among the people and the peripheral and decapitalized bourgeoisies.

This is quite obvious but Dr Soares now wants to pull the "American rabbit" from the empty bag of promises and illusions.

But if we want these relations to work smoothly, then it is necessary for the United States and its administration to uncouple the alliance and friendship with the state and with the Portuguese people from their parties and rulers at any given moment--not to mention supporting them in domestic politics.

In an 8-centuries old nation which, in spite of what it has gone through for a decade, is not (yet) a banana republic, a nation which still has a certain degree of national pride, these things about privileged friends or "Macedonia syndromes" have to be done away with gradually.

The reactions to an identification of a geopolitical ally with a party or a personality are counterproductive for the local "special friend" and for the tutelary power that appears to protect him. States do not gain anything from that and besides it is doubtful that the hegemony of Soarism will continue in long-range terms.

Finally, there are many people who say that the present American administration--which does not want any in-house socialists, nor any socialism--allows that which it does not wish for itself to continue to exist in its allies or, better yet, seems to support in its allies. This has nothing to do with lowly Machiavellianism or the lack of information on what is going on in Portugal. Either of these cases is lamentable and, so far as we know, there are those in Washington who pose the problem of this functional incoherence in exchange for illusory and overestimated favors in the Socialist International.

5058

CSO: 3542/178

POLITICAL

PORTUGAL

COMMENTS ON POSSIBLE COSTA BRAS PRESIDENTIAL CANDIDACY

Lisbon TAL & QUAL in Portuguese 17 May 85 p 3

[Text] Manuel da Costa Bras, Lt Col in the reserves and High Commissioner against Corruption, is facing the political decision of his life: whether or not to become a candidate for President of the Republic.

But the question is not really that simple, since he holds himself to considerations of an ethical order and of political realism.

"Manel (Costa Bras) would not like to become a candidate if he thought it would hurt Mario Soares," one of his long-time friends told us. Another source brought up another obstacle: "He must not be very happy about running against Maria de Lourdes (Pintasilgo), since both would compete for votes in the same area." A source close to the presidential palace threw another log in this little political fire when he told us, "Personally I find it unthinkable that General Eanes wouldn't indicate a presidential candidate, and although there might be strategic differences, that person could seek the support of the Democratic Renewal Party (PRD). In other words, the PRD will be absolutely nothing until it is put to the test in a legislative election--but it will be even less than that if, unless such an election is pushed up, it hangs back in its very first test, which will be the presidential race."

Complicated? It can become even more so. Let's listen again to our last informant: "The problem is that whether you're talking about Gen Eanes or the PRD--or the two together if you like--they're like the PSD: they don't have a winning candidate. So they have to see about setting things up so that if they back Costa Bras, he won't start out in the race with the worst mark possible, that of defeat."

In setting up these conditions, or rather the essential condition, there has been participation, in obvious agreement with the Eanist crowd, by members of a group from whom the evolution of the Portuguese revolution drew strength and political space: the 25 April Association. Military elements in its leadership contacted the campaign of Maria de Lourdes Pintasilgo to try to find out what the reaction of the former prime minister would be if Costa Bras were to enter the presidential race.

When they were reminded that Pintasilgo in March in Abrantes had firmly stated the irreversibility of her candidacy, the visiting military put forward a strategy which, for its unrealism and political ingenuity, perhaps explains somewhat the recent course of Portuguese history. They suggested that Costa Bras and Pintasilgo run parallel, without attacking each other, "right up to the ballot box." In other words, before the first ballot the candidate with the weaker position would yield in favor of the other.

The military representatives in question could not explain what method would be used for such an evaluation, saying only, according to our sources, that the convergence of democratic ideals would certainly make it possible to determine who should yield. The proposal got a negative response from Maria de Lourdes Pintasilgo, who is expected to announce her candidacy officially shortly after 14 July.

Let us get back to our source from the offices of the presidential palace: "That proposal coincides strangely with the positions of many of the people around Gen Eanes, starting with Lt Col Melo Antunes. The PRD itself has already announced many times that it would not oppose such an arrangement. It remains to be seen whether, even running with Pintasilgo, Costa Bras is interested in becoming a candidate."

In case he does decide to do so, the High Commissioner against Corruption must certainly be pondering another problem of conscience: to displease Soares who appointed him to his present job and for whom he had already been Minister of Internal Administration. Or better, according to his long-standing friend, "Manel's great hope is that the Socialist leader might back off and then turn around and support him. Which, if not totally absurd, he explains, is highly unlikely, given the blindness of Dr Soares. Flanked on the right by Freitas do Amaral, Mario Soares will have to conduct a smoother campaign, directed also to the left. But over there is Pintasilgo who, in the opposite camp, may prove to be an even more difficult adversary than Freitas. In other words, Soares' ground is beginning to be nibbled away on both sides, even in his own party. And now, in the latest instance, comes Costa Bras, who is much more acceptable to large areas of the PSD and other minority factions of the PS who, if Soares is their only choice, will vote respectively for either Freitas do Amaral or Pintasilgo."

Ironically, certain socialist sectors involved in the candidacy of their leader have already begun to promote Costa Bras, although not sponsoring any moves for Soares to step aside. Some Machiavellian observers might draw the logical conclusion: since the greater threat comes from Pintasilgo, the entrance of Costa Bras upon the scene would split the votes in that area. The result would be that the second ballot would be fought between Soares and Freitas do Amaral. Observers of a more gloomy disposition hold to a different course: the High Commissioner, thanks to his job, knows much about the twists and turns of corruption and it would therefore be wise to keep him peaceful. Nobody has pinned any illicit



acts on Soares or other high government figures; but the inefficiency of government policy and its incapacity to carry out structural reforms in Portuguese social and economic life has contributed toward keeping corruption indices high.

Costa .Bras' friends, however, smile smugly. "They don't know what personal and political ethics are, so they do not understand that Manel would never make improper use of the things he has learned."

12430

CSO: 3542/180

POLITICAL

PORTUGAL

# SOUSA E CASTRO SUPPORTS CANDIDACY OF PINTASILGO

Lisbon DIARIO DE LISBOA in Portuguese 31 May 85 pp 6-7

[Report on Interview of Major Sousa e Castro on the Television program Faz Figura by Aurea Sampaio; date and time not given]

[Excerpts] The person interviewed is Major Sousa e Castro, but always present is the figure of Maria de Lurdes Pintasilgo. Now president of the Damiao de Gois Institute--an agency of support to the Presidency of the Republic--he, who was spokesman for the Council of the Revolution and one of the early men of the MFA [Armed Forces Movement], is now an unconditional supporter of the presidential candidacy of the former prime minister. Calm, but nevertheless controversial, Sousa e Castro does not hesitate in saying that essentially what led him to be with Engineer Pintasilgo "are the same reasons that led me to support General Eanes in 1980."

Let us begin with one of his more controversial statements. "The election of Dr Soares would be much more comfortable for the Communist Party and probably much more profitable in the long term." The term of comparison, was obviously Lurdes Pintasilgo.

We were perplexed but he explained: "If Dr Mario Soares were to be elected, he would bring to the presidential office a characteristic of relaxation, of lassitude, of a certain (as the politicians say) national affability." He speaks of "dilettantism"--without considering that adjective to be pejorative --to describe the way the present prime minister engages in politics. We continue without understanding. We asked about the way Engineer Pintasilgo engages in politics. After all, what is it that has provoked such hostility from the Communist Party?

He spoke of the "grotesque" situation that now exists in Portuguese society. The adjective has to do with who it is who assumes the defense of the "underprivileged, those without wages, persons without jobs, who live poorly, who have no future in life." He answers his own question: "It is primarily the Communist Party." However, if Maria de Lurdes Pintasilgo were to occupy the Presidency of the Republic, then we would have in the highest office of the state a person who "embodies the defense of the most underprivileged, which implies in the various policies a component which is much more social, much more turned toward the basic needs." For Sousa e Castro, that means that the "space for political action of the Communist Party would be drastically reduced."

The person of Engineer Pintasilgo once more enters the conversation. We note for the first time a slight change in the voice of our interviewee.

The former member of the Council of the Revolution states that "despite her being a political personality of whom everyone speaks, one of the most important in the country, one having great international prestige and who is ahead in all polls on presidential hopefuls, she has not had access to television since 1980."

With some sarcasm he concludes: "It would be necessary to be somewhat brazen to allow a situation like that."

At any rate, not even that lack of access to the media diminishes that which Sousa e Castro describes as "public recognition" and the "phenomenon of communications" of the former government leader. In his understanding, this can be explained by "the simple fact of appearing to be a woman with the obvious credibility for being a candidate for the presidency." Here, he admits, there enters the factor "novelty," which "in sociological or anthropological terms functions with communications as an exponential factor."

#### Independence

We touched on the characteristics of a candidacy which Lurdes Pintasilgo directs with an "iron hand" on the political as well as organizational level. "The strong point of a candidacy such as that of the engineer is her independence with respect to the various parties now present and her capability to moderate conflicts at that level." That is the reason, adds Major Sousa e Castro with some irony, that Mario Soares and Diogo Freitas do Amaral "who are undeniable party members, have tried to declared that their candidacies would be autonomous and independent."

We mentioned the emphatically more conservative tone that is being assumed by Engineer Pintasilgo. Sousa e Castro countered with the little importance "a strong ideological connotation" has for the presidential office and then the appearance of independence that Soares as well as Freitas are trying to establish before the voters.

We asked about the specific characteristics of a candidacy that Sousa e Castro peremptorily says is going to play the full role of the left in the first and second rounds--even without knowing the orientation of the Communist Party--but which because of contradictions is presented with a vague and at times conservative discourse.

In this reply, he rejects the traditional slogans of the left or right. "It is a different candidacy because in many cases it will be innovative." The great prevailing concerns are based fundamentally on social questions and on the objective of "giving maximum power to the capacities for intervention by the presidency in the general political function." It is not, therefore, "a revolutionary or radical candidacy of the right."

As far as support is concerned, the former spokesman for the Council of the Revolution says: "The greatest part is from the area of the PS and even Socialist members." He expresses his conviction, the result not only of polls but also of "on the spot" knowledge," that "in electoral terms the candidacy of Pintasilgo is going to seek a substantial part for the PS, which may be a majority with respect to the results of the last elections.

Is the support of General Eanes important or not? First of all, Sousa e Castro expresses his conviction that the present president of the republic is "not going to assume an active position of support for any candidacy." Then he says: "However, if possibly the president were to support the engineer, she would inevitably be the winner." Once more he relies for this statement on "polls and exhaustive studies."

#### Path

Ten years after April, the political path of Sousa e Castro seems to have veered from that of his comrades of the Armed Forces Movement, to whom he was always linked, many of them now close to the PRD [Democratic Renewal Party].

He doubted the strategic capacity of the PRD in the area of the presidential elections, as well as in terms of the alternative of the Executive elections, since first it would have to compete in the local elections.

"Everything would be different if the new party had appeared at an opportune time."

8908

CSO: 3542/191

POLITICAL

PORTUGAL

PINTASILGO TO ANNOUNCE CANDIDACY SECOND HALF OF JULY

Lisbon EXPRESSO in Portuguese 18 May 85 p 3

[Article by Joaquim Fidalgo: "Pintasilgo Will Disclose Candidacy Program in July"]

[Excerpts] The program of the presidential candidacy of Lourdes Pintasilgo will be presented in public during the second half of July and will contain the "new rules of the game" which the political parties will have to observe if a majority of the voters should vote for the former prime minister.

Lourdes Pintasilgo who this week developed contacts and "pre-campaign" meetings in the country's North (Grande Porte and Minho) used this opportunity to explain how she views the president's job in the country's current context, advocating--in strict compliance with the Constitution--the greater and more constant intervention of the chief of state. "I think that it is indispensable that my candidacy program should contain very specific aspects connected with the joint responsibility of the president of the republic in matters which, for example, involve national independence, understood here not only in territorial but also in economic and cultural terms," the former leader said in Porto. Specifically she promised that, if she were to be elected, she would demand the "complete renegotiation" of the Portuguese foreign debt and of the conditions of the last IMF loan ("a mortgage hanging over our heads for the next 10 or 20 years"), as well as the revision of some of the paragraphs in the Portuguese accords with the EEC (which can turn us into the simple children of rich families").

In this connection again she demanded that the president of the republic "in the future have something to do with the mechanisms established in the country despite corruption."

"I do not intend to be elected only to watch the trains go by, especially not when they are running late," she said with a touch of irony.

Pintasilgo emphasized however that this understanding of the role of Belem [presidential palace] does not imply any criticism of the way in which Ramalho Eanes performed his functions during his two terms of office. On the contrary, she noted that Eanes "acted in a very sure manner" during a specific historical time when the basic thing was to try solutions and

consolidate democracy. This period simply "must now be closed" and another one must be opened up which must be viewed differently and during which the president of the republic "must fully assume his responsibilities as chief of state."

#### "Presidential Majority"

The question most insistently put to Lourdes Pintasilgo in Porto as well as in Barcelos, in Penafiel, and in Joane, however was this: "How" to do what is proposed and "how" to link this reading of the presidential role to the real political situation in Portugal?

In this respect, the candidate emphasized that, if she were to be elected, "I would not just be another new president of the republic but rather we would have a new political framework in the country, with new rules and new protagonists." In other words, she maintains that, if she were to be victorious, her "presidential majority" (a term used repeatedly) would signify the commitment not of a single person but of many thousands of people and "this would necessarily have to be expressed on the institutional level," in other words, it would have to be organized in various forms. With these "intermediate bodies of society"--social partners in the broadest sense of the term, including the schools, universities, the young people, the cultural associations, and local groups--the president of the republic would have a permanent dialogue on an institutional basis and in this organized "presidential majority" the president would find his support for properly exercising the responsibilities assumed in the election platform.

Moreover, Lourdes Pintasilgo thinks that it is "possible" that she might be elected and she assured everyone that she will not let up ("This candidacy is not a passing thing," she said).

5058

CSO: 3542/178

15 July 1985

POLITICAL

PORTUGAL

601 POLLED ON OPINION OF POST-REVOLUTIONARY ERA

Lisbon SEMANARIO in Portuguese Vol 75, 27 Apr 85 pp 1-15

[Analysis by Margarida Viegas: "Eleven Years after 25 April"]

[Text] After 11 years, the Portuguese have become accustomed to the regime. They have adapted to the institutions, to the habitual crises, to the conquests that remain to them. Compared to the first major survey on the post-25 April period, conducted by NORMA and published by SEMANARIO in 1984, the survey which we publish today shows that both the enthusiasm and the negative reactions have tended to fade into indifference. People are neither happier nor unhappier than they were before the revolution. They are the same and, to stay the same, they will dispense with further changes; what they want now is stability. They cling to a political democracy which they feel has been definitely achieved, despite the blatant evidence of economic and social bankruptcy for which, in chorus, they blame the parties. What was the biggest gain from 25 April? Culture, world respect and local power, and also, although opinion is divided, decolonization. Regarding other benefits, groups that were discovering them as late as a year ago--particularly citizens in the interior, the upper class and the youth--have become disenchanted, whereas the people who were the most disenchanted then--concentrated in Porto and in the most disadvantaged class--have softened the tone of their protest. Some 11 years after 25 April, an older and poorer Portugal is shrugging its shoulders. And it misses Sa Carneiro.

#### I. Great Hopes Have Gone; Great Disillusions Are Fading

The great rejoicing is over; the great wounds are also healing. The great hopes have passed; the great disillusions are fading. The Portuguese, at first united to bury the old regime and then divided over the inheritance, have come together again in general dissatisfaction with the state of affairs and a general loyalty to the democratic cause.

Table 1: Response to question: "If 25 April were today, what position would you take?"

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	43.0	42.7	48.8	47.7	29.8	40.0	51.6
Against	20.5	32.3	13.2	17.7	25.2	30.6	27.3
Indifferent	23.7	18.7	29.7	21.6	30.9	13.2	10.2
Don't know	9.2	4.3	8.3	10.9	5.9	9.7	9.5
No Response	3.5	2.2	-	2.0	8.1	6.5	1.5

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>+45</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	43.4	42.7		57.2	30.0	47.1	40.5	49.8
Against	23.9	17.5		14.6	26.0	23.7	20.2	5.9
Indifferent	26.1	21.6		19.9	27.3	17.5	26.4	27.7
Don't know	4.4	13.5		4.0	13.9	6.6	10.1	13.6
No response	2.2	4.7		4.3	2.8	5.0	2.9	3.0

The NORMA/SEMANARIO survey which inspired this analysis was conducted between 23 March and 4 April 1985 and covered the most varied aspects of national life: 25 April itself; its repercussions on the economic, social and cultural plane; happiness; the regime and predictions as to its duration; nostalgia--or not--for Salazar and for Sa Carneiro; the responsibility for the crises; the functioning of the Assembly of the Republic; assessment of the deputies; opinion of existing and future institutions--from the constitution to private television; receptivity to certain ideals--such as the role of profit--and to some practical proposals--such as the reduction of the civil service and the elimination of inviable EP's [state companies]; and, finally, the problem of change versus stability.

#### April: Two to One

To begin with, the Portuguese people support 25 April. In relation to last year, the number of supporters remained the same and the number of opponents decreased. The ratio, which was four to three, is now two to one. The "indifferent" category increased, today exceeding the number of opponents. As will be seen later, the evidence that 25 April, a respectable historic date, did not bring precisely the desired (or dreamed of) model of democracy is that the democratic regime has twice as many supporters as 25 April itself: 80 percent, as against only 43 percent.

This was not the case at the dawn of the captains. Considering the responses in 1984, when NORMA asked about attitudes toward the revolution as it took place, it is seen that, in 11 years, 25 April has lost almost 25 percent of its initial supporters (60 percent of the population) and the number of opponents has doubled (there had been only 10.3 percent). The heat of the contestation has cooled, leaving as many people indifferent today as at the moment when Carmo was surrounded.



The interior of the country, the forgotten regions which were most enthusiastic about the change (in the beginning, the revolution performed masterfully in raising minimum standards) has moderated its support. It is certain that, of the six cities surveyed, Viseu continues to keep the flame burning the brightest (it is the only city in which the "Aprilists" are in the absolute majority: 51.5 percent); a year ago, however, the flame was 10 percentage points brighter. Vila Real, which was then the second strongest supporter, has dropped into last place, while the opponents have multiplied.

#### Porto

In contrast, Porto has been converted: whereas, in 1984, an expressive majority were against 25 April (and against everything it stood for), today it has gained a few sympathizers. Evora is second to Viseu in support of the revolution, followed by Lisbon. It is clear that like or dislike of the "Movement of the Captains" has little to do with north or south, urban or provincial milieus; whereas the capital is in favor of 25 April and so is Porto, Coimbra now has the most opponents: a third of the respondents.

Youth still holds firm to its position. Out of every four people under 44 years of age, only one contests the revolution. It would be more difficult to predict the outcome of the battle between older people: 30 percent support 25 April and 26.6 percent oppose it, although there were fewer people in either column than there were a year ago and more people are indifferent.

#### Learning Process

There has been a radical turnabout in the most disadvantaged socioeconomic class. In 1984, 50 percent of those whom the revolution had selected as beloved sons repudiated it and only 24 percent supported it; now "Aprilism" finds its strongest support in this group--49.8 percent--and its least opposition--5.9 percent. Thus the rich have been dethroned from their position as the most loyal supporters. In any case, contrary to what is observed in the lower middle class (C)--the most critical class, incidentally--the percentage of the upper class which supports 25 April still exceeds the sum of those who expressed opposition or indifference, but not by a very large margin.

## II. The Failures of the Revolution

Peace, food, housing, health, education: the siren song promised these and much more. The music was lovely; the facts were hideous when pictured in figures and percentages.

Everything that forms the basis for the lives of the people is now worse than before 25 April. At least, well or poorly remembered, this is what the people think. It is true that to be worse off "since" is not the same as to be worse off "because," as all the governors like to note in their own defense, but it does not alter the fact. We resolved to throw ourselves into tremendous internal upheaval to change the regime at a time when the world economy was struggling with an unprecedented crisis, the outcome of which is still uncertain. Not to mention the fourth wave of Tofler, the new technologies, the PC--Personal Computer--and some other disturbing signs of the passing of an era. In addition, it is argued that in 1975 the Communist Party succeeded not only in diverting

the revolution from its pure and fine primitive ideals but in compromising the future years.

As, for example, the year 1975. So that, in 1985, most Portuguese think that their health is poorer, but education is in worse shape than health and security is in worse shape than education and housing is in worse shape than security and employment is in worse shape than housing and everything else. Employment is the number one affliction.

Could it be that the counterpart of this social gloom is a splendid economic "boom," built on austerity, stamping out special privileges today to distribute the wealth tomorrow? The question is obviously rhetorical; the economy also went downhill and so did agriculture.

There are only cultural consolations: television--which is less and less consoling--and culture in general, which is cause for great rejoicing. Culture and local government.

Health: Worse, Thank You.

Table 2: Survey Response to Health Question

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	30.7	34.2	45.1	31.2	25.9	37.7	40.2
Worse	47.0	53.2	33.7	45.5	52.3	40.4	35.1
Same	14.2	8.7	16.3	15.2	12.5	17.2	17.4
No Opinion	8.0	3.8	4.9	8.1	9.2	4.6	7.3

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>+45</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	37.8	24.3	41.7	20.6	43.1	26.6	7.4
Worse	43.3	50.4	38.5	54.9	37.6	50.8	56.2
Same	14.9	13.7	11.4	16.8	8.0	16.4	24.5
No Opinion	4.0	11.6	8.4	7.6	11.3	6.1	11.8

Health: among the social ills that plague us, the one that pains us the least; the only one, incidentally, regarding which less than half the population (47 percent) have a negative opinion, unlike last year's results. What an absurd victory, that "only" 47 percent of the citizens think that as basic an item as the health system is worse now than it was before 1974....

Health is also the only sector in which a significant percentage of individuals (30.7 percent) note some progress. This is particularly true in Evora (45.1 percent) and in Viseu (40.2 percent), where more people recognize benefits than deny them. However, in Viseu, for example, the citizens who were satisfied a year ago numbered almost twice as many as today. Vila Real, which then thought it was better off, now feels that the health situation is worse.

Whereas this is the case in the interior, in the large cities like Coimbra and Porto an absolute majority are complaining and Lisbon, although it is less critical, is also aggrieved.

The rich (either because they have different ailments or because they consult different physicians and are admitted to different hospitals) have convinced themselves that the health system has improved. This is not the impression of the least advantaged classes; they feel they are receiving worse care (56.2 percent) or, at best, the same care (24.5 percent). Scarcely 8 in 100 see any improvement, and most of the middle class notes a decline.

Aside from the poor, individuals above 44 years of age complain most about health care. They speak from experience. Young people who--fortunately for them--are less likely to resort to physicians and pharmacies imagine that there has been progress, or else they have heard that health care in Portugal used to be really terrible.

#### Education: Unanimously "Flunked"

Table 3: Response to Survey Question on Education

<u>Response</u>	<u>Total</u>	<u>Cities</u>						
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>	
Improved	21.9	19.2	26.1	22.6	20.0	15.2	29.5	
Worse	60.0	64.0	51.6	58.0	65.8	68.5	48.2	
Same	11.6	10.5	16.5	12.2	9.7	12.5	9.4	
No response	6.5	6.2	5.8	7.2	4.4	3.8	12.8	
		<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>	<u>18-44</u>	<u>+45</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	24.7	19.3	29.4	15.0	17.1	24.8	13.1	
Worse	58.1	61.7	54.9	64.8	67.5	58.3	36.5	
Same	12.3	10.9	13.2	10.2	9.7	11.5	24.4	
No response	4.8	8.0	2.6	10.0	5.7	5.3	26.0	

Education was supposedly "democratized" and "detraumatized." There was an eagerness to try new methods with long names. The curriculum was changed every year. Universities multiplied like corn. Admission standards were tightened. When all was said and done, three individuals in four believe that education is worse than before, which many people interpret as one of the major victories of the PC [Communist Party] in its "April."

This confirms an intense dissatisfaction which was already indicated in last year's survey. Unlike last year's survey, however, it is no longer in Lisbon but in Vila Real that education receives the lowest grade: in Vila Real, 68.5 percent (the maximum) criticize it and only 15.4 percent (minimum) think it was worse before. Although Viseu is once again the least critical city of the lot, 48.5 percent are dissatisfied, whereas last year more than half the population were pleased with the progress in the field of education.

After Vila Real, the cities which believe most strongly that education has declined are Porto (65.8 percent) and Coimbra (64 percent).

Whether by their own experience or because they keep up more closely with their children's problems, women are much more critical of the state of education than are the men. On the other hand, although a majority of the young people condemn the present system, perhaps because they had no great liking for the old methods either, they are less critical than the generation over 45 years of age. This generation disapproves of the new model (!) by an overwhelming 64.8 percent to 15 percent.

The highest socioeconomic bracket is also particularly critical (67.5 percent). Although the middle class is quite unhappy, 25 percent still approve the present system. Poor people are inclined to rate it "the same" (24.4 percent) and thus form the only group which does not present an absolute majority of negative opinions. However, it is in this group that the fewest respondents saw an improvement.

#### Public Safety: Progress--of Terror

Table 4: Response to Survey Question on Public Safety

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	10.9	12.5	15.2	11.6	6.8	31.3	20.7
Worse	76.8	79.4	70.9	76.1	80.9	47.5	56.5
Same	5.8	1.9	9.5	6.4	4.2	15.4	10.3
No opinion	6.6	6.2	4.4	6.0	8.1	5.8	12.6

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	16.4	5.9		15.9	6.3	15.4	9.4	1.5
Worse	76.7	76.8		70.4	82.6	74.3	80.5	43.1
Same	2.5	8.8		7.5	4.2	1.7	6.3	24.9
No Opinion	4.4	8.5		6.2	7.0	8.5	3.8	30.5

Public safety: here indeed 25 April brought us closer to civilization, to its fear of leaving the house at night, to the highly modern state of terror. If Vila Real is not actually New York, the insecurity of modern times--although it is felt more in the big city--has not left the provinces untouched.

For every 100 Portuguese, 77 feel less secure now than they did in the era of gentle customs. Behind the facade of apparent public order, what are they afraid of? Of being assaulted, knifed, robbed, shot? Or of the terrorist bomb? Depending on the answer, which this survey cannot provide, the famous Law of Internal Security may or may not offer some tranquillity to the common citizen.

The citizen seems to be tremendously frightened, principally in Porto, once an example of a large city with the friendly sociability of the "provinces." Now, more than 80 percent of its residents feel that the threat has grown and, again, Coimbra is almost as fearful. In the other cities as well, except for

the comparatively placid Vila Real, an absolute majority of respondents were fearful.

The most elderly are particularly anxious (82.6 percent), although young people also feel less comfortable in the street now. An interesting statistic: the so-called stronger sex is no more courageous than the weaker sex.

The lower middle class, which, at most, puts bars on the ground-floor windows, is more afraid than the upper class, with its sophisticated alarm systems. For their part, 25 percent of the most disadvantaged class feel that the security situation has remained the same and are less concerned about the problem: 30 percent had no opinion. Even so, a majority of the poor feel threatened.

#### Housing For All--a House for No One

Table 5: Response to Survey Question on Housing

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	6.7	5.9	17.3	5.2	8.7	15.7	13.4
Worse	80.2	87.0	70.5	80.0	80.9	71.3	77.2
Same	6.5	4.1	7.0	6.9	6.0	6.5	4.2
No opinion	6.6	3.0	5.2	7.9	4.4	6.5	5.1

	<u>Total</u>	<u>Sex</u>		<u>Age</u>	<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>		<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	11.0	2.8	7.4	6.1	11.6	4.7	3.0
Worse	75.4	84.5	83.2	77.4	81.6	81.0	60.6
Same	9.5	3.7	4.0	8.8	2.9	8.6	0.8
No Opinion	4.1	8.9	5.5	7.7	3.8	5.7	35.5

There is nothing good to say about housing. If, as its critics allege, the new rent law will rob the people of their only benefit, then this benefit has not been duly appreciated: 8 in 10 Portuguese believe that the housing situation has gotten worse since 25 April, with its solemn promise of housing for everyone. Unfortunately, no one can live in an article of the constitution.

As suspected, the problem more profoundly affects the big cities: 90 percent of the residents of Coimbra are complaining and Lisbon and Porto are not far behind. We may not have had quite as clear an idea that the housing problem also affects the interior of the country. There is not a single city in which less than 70 percent of the population sees the problem as worse. Although Porto complains the least, only 17 percent of the residents saw any improvement.

Females manage to outdo the already highly critical males. Less than 3 percent of the women think the housing picture is brighter now than before 25 April. In the generation over the age of 44, including retired people and pensioners, for whom the opponents of the new rent law have taken up the banner, 77.4 percent say they are worse off than before, or else they sympathize with the afflictions of the younger people, among whom an even higher percentage (83.2 percent) deplore the current state of housing.

About houses in which they do not live and have no expectation of living, 35.5 percent of the poor people do not even have an opinion. Those who have an opinion complain that things have gone from bad to worse, a view which is shared by the middle and upper classes, although the upper class, which is better able to buy a home, has the highest percentage of optimists (11.6 percent).

#### Unemployment: Public Anxiety Number One

Table 6: Response to Question on Employment

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	1.4	-	6.4	-	4.1	3.9	11.9
Worse	88.8	92.1	89.9	89.5	86.6	90.3	78.7
Same	3.0	4.6	3.7	2.8	2.9	0.7	4.8
No opinion	6.8	3.2	-	7.6	6.4	5.1	4.5

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-14</u>	<u>+45</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	1.3	1.5	1.5	1.4	2.6	1.0	-
Worse	90.7	87.1	91.8	86.1	84.2	92.0	75.5
Same	5.1	1.1	2.3	3.6	4.1	2.6	0.8
No opinion	2.9	10.3	4.4	8.9	9.0	4.4	23.7

First of all, however, one must have a job. Among all the concerns, employment appears in this survey as the greatest worry of the Portuguese: 90 percent think the situation has deteriorated since 25 April. Moreover, whereas, despite everything, there was a little less pessimism than last year with regard to health, education, security and housing, the pessimism has grown with regard to employment and the microscopic percentage that is content is still shrinking. This, then, is the most blatant failure of the April regime, although it is not easy to figure out how much of the responsibility lies with the economic picture and how much rests with the rules in force in the labor sector.

A year ago, Porto was protesting the loudest; now the peak of the crisis has passed to Coimbra (where 92.1 percent of the respondents said the situation was worse than before), immediately followed by a city in the interior: Vila Real (90.3 percent). In Lisbon, as in Coimbra, not a single respondent saw any improvement. In the north and in the south, from the shore to the border, the Portuguese feel they have been denied their celebrated right to work. Evora is in despair and even in Viseu, the city which complained the least, 78.7 percent of the respondents were apprehensive and only 11.9 percent were optimistic.

As is already known, the young people still feel the effects more than older people, although the difference is very small, indicating that things are going badly for everybody. For their part, the females present a relatively high rate of indifference: 10.3 percent have no opinion on the employment situation. In addition, almost 25 percent of the most disadvantaged class shrug their shoulders. The rest feel the employment problem has worsened. Not a single respondent in this group thought the employment picture had improved.

The middle class almost unanimously voiced complaint (92 percent). Although the upper class was highly critical, 9 percent had no idea whether there are more or fewer jobs nowadays.

#### Economy: Revolution Which Served No One

Table 7: Response to Survey Question on the Economy

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	5.4	11.9	17.1	4.6	4.1	13.1	12.2
Worse	77.5	83.0	69.0	75.2	84.0	77.4	66.0
Same	8.8	4.0	9.9	11.4	3.3	4.9	7.1
No opinion	8.2	1.1	3.9	8.8	8.5	4.6	14.7

		<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>	
Improved	7.4	3.7	4.4	6.4	5.0	6.0	1.4
Worse	78.5	76.7	79.0	76.2	85.0	75.5	57.4
Same	9.3	8.4	10.3	7.5	3.6	11.0	12.2
No opinion	4.8	11.3	6.3	9.9	6.4	7.5	29.0

The economy: our number one scourge, the mother of all evils---even if Professor Vitorino Magalhaes Godinho feels that the problem does not lie with with economy but with ourselves. Be that as it may, 77.5 percent of the Portuguese admit that the economy is in worse state now than during the era of the great monopolies, the era of industrial dependence.

The percentage of respondents who still see an improvement has stayed the same (5.4 percent) and a growing number believe the revolution left things in the same state.

Porto and Coimbra once again see themselves as the greatest victims, particularly Porto, where more people now see a deterioration (84 percent) and fewer note an improvement (4.1 percent). In the capital, the difference is in the growing number who say the situation is the same. The least complaining are Viseu and Evora, where an astonishing 17 percent believe there has been economic progress, as against 69 percent who certainly hold the opposite opinion.

The rich are most fiercely negative about the revolutionary economy (85 percent), whereas the poor were most reluctant to note any improvement: only 1.4 percent of these people, in whose name the economy was collectivized, dismantled and transformed, feel any gratitude for the revolution. The middle class is not about to contradict them: 75.5 percent said the economy was worse.

The younger people have no illusions about the economy. Even more vehemently than the generation over 40 years of age, 79 percent of the young people judged that things were better before 25 April, and fewer than 5 young people in 100 disagreed with this opinion. In any group of 100 females, however, one would not even find 4 who were happy about the economy. Only half as many women as men think the post-revolutionary economy is an improvement.

## Agriculture: You Can't Eat Myths

Table 8: Response to Survey Question on Agriculture

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	21.7	13.8	22.6	27.9	7.4	12.9	24.7
Worse	47.9	46.5	49.3	40.7	66.0	59.3	50.8
Same	7.6	7.3	10.6	6.2	10.2	18.1	8.3
No opinion	22.9	32.4	17.5	25.2	16.4	9.6	16.2

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	30.6	13.6	29.8	14.2	31.7	17.6	12.1
Worse	50.8	45.3	46.5	49.1	47.9	50.2	18.3
Same	8.7	6.5	9.2	6.1	5.7	8.9	1.1
No opinion	9.9	34.6	14.5	30.6	14.6	23.3	68.5

Whereas the previous questions hit closer to home, and hence almost everyone expressed an opinion on them, some 22.9 percent of the Portuguese had nothing to say about agriculture. However, among those who spoke out, the negative opinions outnumbered positive opinions by more than two to one: 47.9 percent (it was more than 50 percent last year), as against 21.7 percent (it was 12.9 percent in 1984). While the criticism is still general, it is a little milder.

In view of the agricultural production statistics, there is plenty of reason for this general feeling that, if agriculture was backward and inefficient during the dictatorship, it still does not know the meaning of the word "development."

If a majority are convinced that agriculture has declined, it is more difficult to see why there is also a majority (see below) which supports agrarian reform. Since it is certain that agrarian reform affects only a very small part of the country, the combination of the two trends is difficult to fathom.

Since they do not live in the rural area, the Lisbon residents are most inclined to believe that agriculture is doing well (27.9 percent) or the least inclined to assume the opposite (40.7 percent think agriculture has declined). For its part, Porto, which is physically and spiritually miles from Agrarian Reform, made the most calamitous judgment: 66 percent denounced the deterioration of agriculture and only 7.4 percent were enthusiastic. The rural areas of Vila Real are also nostalgic for the past--which is long gone. In Evora itself--either because of agrarian reform or because its end is imminent--49.3 percent of the respondents believe that agriculture has declined since 25 April. The impression of a deteriorating agriculture is shared by the two sexes, all age groups and every socioeconomic class, although the lowest economic bracket confessed almost total ignorance on the matter (69.5 percent had no opinion) and the upper class was less critical than the middle class.



## Television: Poor Consolation

Table 9: Response to Survey Question on Television

Response	Total	Cities					
		Coimbra	Evora	Lisbon	Porto	Vila Real	Viseu
Improved	33.1	16.8	36.2	31.2	41.1	35.5	38.4
Worse	32.0	52.4	31.1	31.1	29.7	39.2	28.0
Same	22.4	21.9	25.0	23.1	20.3	18.5	21.5
No opinion	12.6	8.9	7.7	14.6	8.9	6.8	12.2

	Sex		Age		Socioeconomic Bracket		
	M	F	18-44	45+	A/B	C	D
Improved	39.7	27.1	41.7	25.2	30.0	35.7	17.7
Worse	30.6	33.2	23.0	40.3	20.8	35.6	54.3
Same	24.0	20.9	23.8	21.0	31.3	19.5	4.3
No opinion	5.7	18.8	11.5	13.6	17.9	9.2	23.7

Hail the RTP [Portuguese Radio-Television], which some call the opiate of the masses. In the monotonous lamentation in this survey, television was the first aspect of national life which did not inspire any strong rebellion among the Portuguese.

It cannot be said, however, that the Portuguese viewers feel particularly privileged. The enchantment is fading. A year ago, 43.9 percent (as against 24.5 percent who thought it was worse) extolled the television of democracy--color television, with its political debates, soap operas, the era of the big antenna and chronic outages--in relation to the black-and-white television of the past. Now opinion is split almost in half, separated by a few 10ths of a percent (33.1 percent as against 32 percent).

Here at last, we are not peevisish; either we like television better or we are indifferent, but most of us do not think television has gotten worse, which is great.

The color is not perfectly tuned, however. In Coimbra, perhaps resenting the lack of its own transmitter, an absolute majority (52.4) voted against the television which we have now, whereas Porto, probably proud to be the center of production, is one again more laudatory than any other city. Good feeling prevailed in Lisbon and Evora, while Vila Real preferred the RTP of Ramiro Valadio. The ladies and gentlemen were not in agreement: the ladies say the programs are worse; the men say they are certainly better. The generations are also divided. The older people rebel against the new programs; the young people retort that they are much better than before. The gentry, less attached to the TV set than the middle class, say television is the same. "Don't you believe it!" contradict the poor. If their lives are not filled with diversions, television is not the big excitement for them. Their judgment is the most severe: 54.4 percent of them feel that the magic box has known better days.

## Culture: April's Strong Suit

Table 10: Response to Survey Question on Culture

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	44.0	59.0	55.8	46.4	30.8	66.4	63.1
Worse	29.3	19.4	14.5	26.4	42.3	15.4	19.2
Same	12.4	10.3	20.9	11.0	15.6	10.9	8.2
No opinion	14.3	11.3	8.9	16.2	11.4	7.2	9.5

	<u>Total</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>	<u>18-14</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	48.2	40.2	60.6	28.7	55.5	41.3	7.6	
Worse	34.7	24.5	21.6	36.5	22.8	32.9	22.8	
Same	13.2	11.6	9.3	15.1	10.1	12.5	24.5	
No opinion	4.0	23.7	8.5	19.7	11.6	13.3	45.1	

This we know: 25 April--according to the majority--brought an abundance of culture. If the body protests, the soul rejoices in the massive cultural phenomenon and manifestations. Censorship was abolished, spirits soared, theaters and cultural centers opened in remote villages, lecturers have been imported regularly, expositions have multiplied and, although subsidies are always a problem, culture is lively. However, the rejoicing in the cultural conquests of April certainly has something to do with the colossal propaganda effort to instill the word "culture" (not its meaning) in the minds of the citizens. Better they think about their heads and not their stomachs.

Finally (putting venom aside), culture has dethroned television as the major benefit of post-revolutionary times and it wins more enthusiasts every year. Currently, only Porto and the poorest class dare to disagree with the majority opinion. Aside from Porto, which avers that culture has declined as well, only Lisbon falls short of an absolute majority of cultural enthusiasts.

Considering, however, that the two largest cities in Portugal have always been its most important cultural centers, we must remember the clear cultural benefits that are felt in the provinces; in Vila Real and in Viseu, more than two thirds of the people are delighted, and good for them!

Young people are particularly pleased with the new freedom (viva the rock concerts!), whereas their elders, who have their own conception of culture, think there has been a decline--a symptom of the generation gap.

While it particularly affected the upper class, the cultural breeze passed over the middle class and left the lower class indifferent. In that group, a fourth of the respondents feel the same, a fifth feel less cultured and only 7.6 percent see some progress, not to mention the 45.1 percent who did not even venture an opinion.

## Local Government: Power Closest to the People

Table 11: Response to Survey Question on Local Government

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Improved	37.6	45.0	60.5	42.8	18.4	63.2	41.4
Worse	20.6	7.3	13.0	17.2	33.1	17.4	23.7
Same	15.5	9.0	14.4	12.0	26.6	7.0	11.9
No opinion	26.4	38.8	12.0	16.2	21.9	12.4	23.1

	<u>M</u>	<u>Sex</u>	<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Improved	48.6	27.6	43.7	31.9	54.3	32.5	1.0
Worse	20.6	20.5	18.4	22.6	11.9	25.6	8.7
Same	14.8	16.0	16.9	14.2	11.6	16.9	21.0
No opinion	16.0	35.9	21.0	31.4	22.1	25.1	69.3

Local government: despite all the failings typical of a new experiment, all the financial shortages and all the crazy excesses of Crestuma and Lever, it is certain that the Portuguese see local democracy as a benefit, and we must agree with the 37.6 percent (as against 20.6 percent who dissent) who feel that, in this matter (on which three-fourths of the population had an opinion), there is a real improvement over the past.

Note, however: from 1984 to 1985, the number of people who disputed the advantages of local government doubled, whereas the number of enthusiasts dwindled a bit. Was this the result of growing corruption, which is on everyone's lips but which was not broached in the survey? Or of too much party politicking?

The dry statistics do not provide answers. What they tell us, and it is quite a surprise, is that local government fell into disfavor in Porto as nowhere else in the country, affecting the national average. Apparently, the prestige of Paulo Vallada was not enough to keep the residents of Porto from reacting to the dramatic increase in electric power rates and perhaps other crises by voicing their disapproval of their local government (which 33.1 percent of them did, as against 17.4 percent [as published] who didn't). The other cities were in a very different frame of mind, particularly Vila Real and Evora, where a broad majority recognized progress (63.2 percent and 60.5 percent, respectively). Coimbra distinguished itself by the tiny minority (7.4 percent) who preferred the old mode of local government.

In this matter, all ages were in agreement, and there was no disagreement between the sexes, although twice as many females as males had no opinion.

No less than 70 percent of the least advantaged class had no opinion, with the result that there were more opponents (8.7 percent) than supporters of the new local government. The power may be local but it is not their power. The upper class most firmly supports the decentralization of power, incidentally.

### III. Happiness? Sa Carneiro? Salazar? Politics?

No Better, No Worse, Unlike Last Year

Table 12: Response to Survey Question on Personal Happiness After 25 April

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Happier	24.9	20.6	27.7	22.0	31.6	44.8	32.9
Less happy	24.8	41.8	21.3	24.2	23.1	17.6	27.9
Same	43.3	32.8	46.3	47.1	36.5	33.5	32.3
No response	7.1	4.9	4.7	6.7	8.8	4.1	6.9

	<u>Total</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Happier	29.5	20.7	30.4	19.8	23.1	25.4	28.8	
Less happy	26.2	23.5	14.5	34.3	22.5	23.8	52.0	
Same	37.5	48.4	42.3	44.2	42.4	45.6	17.9	
No response	6.8	7.3	12.9	1.7	12.0	5.2	1.2	

The revolution did not bring happiness to the Portuguese, but it is also highly unlikely that it was conducted to lighten individual hearts. Happiness is a personal thing, sometimes transferrable. It is precious, it cannot be bought and, generally, it does not depend on the direction which the nation's destiny takes. Or will the reduction in the foreign debt really assuage some grief?

In any event, there is an atmosphere--of optimism or despair, struggle or apathy--which affects individuals. Once the period of the grand passions, the conquests, the hatreds, had passed, the Portuguese mulled it all over and now most of them (43.3 percent) are neither happier nor unhappier than they were before 25 April. When the dust settled, it was seen that everything had remained the same: one-fourth of the population was happy at the expense of another fourth, the great multitude shrugged its shoulders and the net result for the nation came to zero--which, in relation to last year, when 45 percent of the respondents were crying, is certainly some progress.

#### Vila Real Happy

Then there are specific cases: Vila Real, for example. There, certainly, the revolution was good for the people. A majority of 44.8 percent say they are happier today, as against 17.6 percent who are sad, and a third of the people are indifferent.

If we refer back to the first part of the survey, we see that, in fact, the number of inhabitants of Vila Real who saw progress in the areas of health, public safety, housing, the economy, television, culture and local government was higher than the national average; on the other hand, Vila Real residents were particularly unhappy about developments in the areas of education, employment and agriculture.

Moreover, as the rest of the survey will show, Vila Real stands out among the six cities surveyed as most fervently supporting democracy and as most convinced of its stability.

Returning to the issue of happiness, although Vila Real is unmatched by the other cities, it is not unique. In Viseu, Evora and Porto, more people were happy than unhappy, although indifference was prevalent in Evora and Porto.

#### ...and Disgrace of Coimbra

Coimbra is the disgrace, with a telling combination of the highest number of unhappy people (41.8 percent) and the lowest figure for happy people (20.6 percent). Looking back, we observe that, in many socioeconomic areas, Coimbra complained more and saw fewer improvements than the national average, with the loudest protest against the employment situation (92.1 percent), housing (87 percent), the economy (83 percent) and health (50 percent), such that, save for the items culture and local government, Coimbra bewails an extremely dismal fate. Nor is Lisbon very happy, although there the complainers mingle with the crowd (47.1 percent) who are shrugging their shoulders.

It is the women who are mostly indifferent, whereas the men are vaguely happy. The young people are certainly optimistic; there are almost twice as many light hearts as heavy ones. The reverse is true of the older group. Those who pine for the past by far exceed those who are happy with the present.

#### All Bad...

The unhappiest of all, unhappier than they have been for years, are the poor. In the class to which it has become customary to apply the already depressing term "disadvantaged," an absolute majority (52 percent) are more bitter than they were before 25 April. It is also a fact that more people in this bracket see cause for rejoicing and very few feel that nothing has changed: in short, this is the group most affected by the revolution.

With regard to the rich, somewhere along the way they have lost the intense happiness which they expressed a year ago. Today they are indifferent, as is the middle class.

Since it is difficult to attribute this calm good will to the disastrous state in which they find the economy and the society, it must be assumed that, beyond the joys and sorrows of their private lives, the pride of the Portuguese in their new-found democracy is enough to outweigh the hazards along the path.

#### Salazar: 40 Years Was Enough

Perhaps Salazar would not have particularly appreciated being mixed up in a survey about 25 April, but it might be that the anachronistic inclusion of the late statesman will serve to measure the degree of national disorientation, how much we have changed since the end of the First Republic and to what extent there is a hidden desire for someone who will "put things in order," someone like Salazar.

Table 13: Response to Survey Question: "Do you miss Salazar?"

Response	Total	Cities					
		Coimbra	Evora	Lisbon	Porto	Vila Real	Viseu
Very much	19.6	20.0	11.1	19.1	20.9	27.6	28.5
A little	19.7	30.5	34.8	16.9	22.0	27.5	19.8
Not at all	48.2	41.2	46.6	53.1	38.6	32.3	41.9
Don't know	9.1	6.2	5.6	7.0	15.7	12.0	7.7
No response	3.4	2.2	1.9	3.9	2.7	0.7	2.1

	Total	Sex		Age		Socioeconomic Bracket		
		M	F	18-44	45+	A/B	C	D
Very much	19.3	19.9	15.9	23.0	12.2	23.4	15.4	
A little	19.2	20.1	16.6	22.4	18.9	20.4	15.1	
Not at all	51.8	45.0	54.1	42.9	53.9	46.4	37.3	
Don't know	9.5	8.8	11.4	7.1	8.9	9.3	8.3	
No response	0.1	6.3	2.1	4.6	6.1	0.5	23.7	

Most Portuguese, 48.2 percent, do not miss him at all. In this case, however, a majority does not mean unanimity. There are still almost 40 percent who miss Salazar, and half of these are even convinced that 40 years was not enough. They still miss him "greatly."

Where there is doubt, the benefit of the doubt goes to the offender. Taking into account that moments before they admitted to being Salazarists, the respondents had repudiated the dictatorship by 80 percent to 5.4 percent, it is assumed that those who praised the former leader did not see him as--or only as-- a dictator. In addition to the economic failure of the current regime, the climate of uncertainty regarding the future, and growing corruption, the democracy has not always managed to avoid the undignified spectacles which the people cannot excuse, which open the way for dangerous distortions of thinking. However, the figures are those which NORMA gathered among the people, to be interpreted as you will.

The figures, as the table shows, say that Lisbon alone has an absolute majority of citizens who oppose any suggestion of Salazarism. In Evora, despite the political predominance of the APU [United People's Alliance], 45.9 percent expressed some nostalgia for the dictator. It is hard to imagine what he would feel if he paid them a visit today.

It is also difficult to fathom what is going on in the minds of the residents of Coimbra and, particularly, of Vila Real--two cities where, although 9 out of 10 are democrats, more people feel the need for Salazar than feel they can absolutely do without him. Vila Real is a surprise: whereas 32.3 percent are pure anti-salazarists, 27.6 percent miss him "greatly" and another 27.3 percent feel some nostalgia. In Viseu, as well, more people are nostalgic than otherwise.

The general picture which emerges, for the first time in this survey, is a division of the country at the line of Mondego.

Moreover, the old professor from Coimbra left a more loyal following among females, whereas an absolute majority of the males prefer a country without Salazar. As could be expected, the young people get along perfectly well without him. It is perhaps less logical that, although 54.1 percent of them are anti-Salazarist, a third of the respondents under 45 years of age believe that the gentleman could be of some use to the country today.

Finally, an interesting note: the extremes--the richest and poorest classes--are the ones which do better without Salazar. In both of these classes, only about 30 percent of the respondents thought he would be useful to the Portugal of 1985. The upper class most firmly rejects the ghost who apparently has left his principle mark on the middle class.

#### Sa Carneiro: National Loss

Table 14: Response to Survey Question: "Do you miss Sa Carneiro?"

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Very much	46.0	49.5	31.8	42.8	55.0	46.8	46.4
A little	23.8	26.2	29.9	26.6	15.7	22.3	14.0
Not at all	19.3	14.6	23.8	21.2	14.2	19.5	29.6
Don't know	8.6	7.5	11.4	7.5	11.3	8.4	7.9
No response	2.3	2.2	3.1	1.8	3.5	2.9	2.1

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Very much	47.5	44.6		38.9	52.4	47.5	45.6	41.2
A little	23.0	24.5		30.5	17.6	25.8	24.3	4.1
Not at all	21.7	17.1		21.9	16.9	17.5	19.8	24.2
Don't know	6.9	10.2		7.3	9.9	6.5	8.9	18.6
No response	0.9	3.6		1.4	3.1	2.8	1.4	11.8

Sa Carneiro is missed. He is missed, 4 years after his death, by almost 70 percent of the Portuguese and he is intensely missed by 46 percent. This is impressive, particularly in that even his political adversaries see his death as a national loss (Sa Carneiro never had the support of anything like 70 percent of the country).

Some people say today that his last battle, which he desperately waged against Eanes, was the cause of his death. This is a more or less personal delusion, more or less excused, more or less artificial, which not even his supporters believe. In other words, there are those who say that Sa Carneiro died of defeat.

Such is defeat: a year ago, when NORMA asked which post-revolutionary leader merited the greatest confidence, the Portuguese named Sa Carneiro. Eanes, who was alive and who was the president of the republic, was second, with half as many supporters.

Today, 7 out of 10 Portuguese feel the country is not the same without Sa Carneiro, and barely 20 in 100 feel that he would be of no use today.

In his native Porto, 55 percent of his former countrymen miss him greatly and only 14.2 percent (the national minimum) are immune to him. It might also be said that nowhere is he missed as sorely as in Coimbra, where more than three-fourths of the population lament his loss. The loss is also felt in Evora (61.7 percent, and more than half of these miss him greatly) and also in Lisbon and in Vila Real. Oddly, Sa Carneiro is not missed so much in Viseu, where 29.6 percent (national maximum) are getting along well without him.

Young and not so young people of both sexes, rich, poor and in between, need--would need--this man who governed them for barely a year.

--With light shades of difference: again, more males than females can do without him completely. More of the older generation miss him "greatly" (52.4 percent) than do the young people. The most disadvantaged are also the most indifferent: about 25 percent can do without Sa Carneiro and more than 30 percent do not have, or did not express, an opinion. A greater percentage, 41.2 percent, "greatly" feel the loss of the leader of the first Democratic Alliance.

The sentiment is felt more intensely in the middle class and most intensely in the upper class, where 47.5 percent miss him greatly and 25.8 percent feel at least some loss; together, they form one of the strongest majorities in the survey. If surveys could perform miracles, Sa Carneiro would be with us today. But they don't.

#### Democracy: the Great Mark of Unity

Table 15: Response to Survey Question: "What regime do you prefer?"

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Democracy	80.0	94.6	85.1	79.1	77.6	94.0	80.5
Dictatorship	5.6	2.2	7.0	4.3	9.3	1.3	11.6
Don't know	9.6	2.2	6.0	10.6	9.7	2.3	4.9
No response	4.8	1.1	1.9	6.0	3.3	2.2	3.1

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Strata</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Democracy	84.9	75.5		83.1	77.1	89.8	77.2	55.8
Dictatorship	4.8	6.4		6.9	4.5	4.6	6.3	1.9
Don't know	5.9	12.9		6.2	12.7	4.2	9.8	39.3
No response	4.4	5.2		3.9	5.7	1.3	6.7	3.0

No matter how painful the crisis, one thing is certain. The Portuguese have the good sense not to blame democracy, which is more deeply rooted with every passing year. Whereas 63.7 percent of the NORMA respondents in 1984 supported the regime of freedom, the figure has now reached 80 percent. Concurrently, 20



in 100 Portuguese favored dictatorship in 1984 and this number has now been reduced to a remnant of fewer than 6 (5.6 percent).

It is clear, then, that the feelings of repudiation or indifference about 25 April per se do not mean a lack of appreciation for democracy; as noted in this survey, those who favor democracy outnumber the "Aprilists" by two to one.

It is interesting to note that although it was insignificant in all groups and social brackets, the highest proportion of respondents who were nostalgic for the dictatorship was found in the middle class (6.3 percent) and not in the upper class (4.6 percent). The upper class, more politicized (as indicated by the small percentage of respondents who could not or would not respond), was overwhelmingly (89.8 percent) in favor of the democratic regime. Although the most disadvantaged are still not at all clear on the issue of the political model (more than 40 percent could not give an answer), they at least know what they don't want: a regime of force, for which only 1.4 percent expressed a preference.

By city, the democratic fervor is still least intense in Porto (77.6 percent for freedom and 9.3 percent for dictatorship--the lowest and highest figures, respectively, by city), although it is more intense than it was last year. Lisbon, the nation's capital, is distinguished as the champion of depolitization (17 percent either could not or would not respond). Strangest of all, unhappy Coimbra, where most of the inhabitants are unhappier today than they were before 25 April, is also the strongest bastion of democracy, which is favored by 94.6 percent. Only Vila Real, which was precisely the happiest city, kept up with Coimbra, with 94 percent favoring democracy, swamping a minimum of 1.3 percent which favored "dictatorship."

Females, less politicized than the males, are (perhaps for this reason) less fiercely democratic. Although the younger respondents were strongly in favor of freedom, almost 7 percent were seduced by the idea of dictatorship. This was a higher percentage than that registered among respondents over 44 years of age, who well remembered a living example of it.

#### New Pride in Being Portuguese

If reasons for jubilation do not abound, we have this satisfaction: we feel that, with the democracy installed by 25 April, we have gained more respect in the world. The satisfaction is truly national, shared by north and south, by all cities and by all the classes. The doctrine of the previous regime was in error; we stood alone, yes, but not with pride. Proof of this is that 62.5 percent feel that their country has more prestige today, as a small European and Western democracy, than it had as a great imperial power, politically closed.

Membership in the European Economic Community probably helped to strengthen the feeling of national acceptance, since, in relation to last year, the percentage which shares this feeling has grown and a smaller percentage disagrees--only 5.4 percent. Moreover, this impression of greater world acceptance is not simply a remote matter for ministers and diplomats, since less than 20 percent of the respondents had no opinion.

Table 16: Response to Survey Question on World Prestige After 25 April

<u>Response</u>	<u>Total</u>	<u>Cities</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Increased	62.5	55.5	68.8	63.8	59.3	91.0	60.0
Decreased	5.4	5.2	7.3	3.6	9.9	1.5	7.0
Same	12.6	10.3	12.7	12.7	13.1	2.3	14.2
Don't know	17.8	24.8	10.4	18.0	17.1	4.0	16.0
No response	1.7	4.3	0.8	1.8	0.6	1.1	2.8

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Increased	75.7	50.7	74.6	51.4	78.2	58.4	20.7
Decreased	8.2	2.9	3.2	7.5	4.1	6.3	3.0
Same	9.1	15.7	11.9	13.2	6.5	14.6	24.0
Don't know	6.9	27.7	10.1	24.9	8.6	19.5	52.3
No response		3.1	0.1	3.0	2.7	1.3	-

Held by an absolute majority in the six cities surveyed, the conviction of this progress again reached the heights in Vila Real (91 percent) and was shallowest in Coimbra (55.5 percent).

Males are particularly sensitive to our relations with the world and were very pleased with this progress (75.7 percent); among females, who are more sensitive to other issues, a third of the respondents ducked the question.

Who has not heard about some painful moment when, in some city in Europe, someone hesitated to admit to being Portuguese? Well, that time has passed. Today, citizenship is a great satisfaction to Portuguese under 44 years of age, among whom 74.6 percent believe that the word "Portugal" has a better ring to it abroad. Older people are a bit more reticent: a third of them do not know whether it sounds better, worse or the same.

This is not a major concern in the lives of the most disadvantaged class, a majority of whom have no idea about the country's reputation. Even so, many more of this class have a good impression of our reputation (20.7 percent) than otherwise (3 percent) and even more of them feel it is about the same as it was.

The upper bracket, highly sensitive to international opinion, is decidedly and fully aware (78.2 percent) that--the matter calls for a polished phrase--Portugal today occupies its rightful place in the concert of nations.

#### Military Coup: Fading Spectre

The spectre of a military coup is still with us, but--rightly or not--it is fading. Although the idea that Portuguese democracy has been achieved is not yet subscribed to by even half the population, it is dominant and is growing; held by 37.5 percent of the respondents a year ago, it is now held by 46.3 percent.

Table 17: Response to Survey Question: "Will the regime endure?"

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Could have military coup	22.2	20.0	28.9	23.3	19.3	17.9	22.5
Democracy here to stay	46.3	41.4	41.4	45.1	50.8	60.4	44.6
Don't know	30.1	37.5	28.6	30.4	28.0	20.8	30.3
No response	1.4	1.1	1.0	1.2	1.8	0.9	2.7

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Could have military coup	25.3	19.4		30.3	14.8	30.5	19.7	4.1
Democracy here to stay	57.0	36.7		45.3	47.3	43.4	48.2	40.6
Don't know	16.0	42.8		22.7	36.9	25.1	30.5	55.3
No response	1.7	1.0		1.7	1.0	1.0	1.6	-

The expectation of a coup is fading, at least from a subjective point of view. In 1984, some 26.1 percent of the Portuguese foresaw the fall of democracy, immediately or within the next few years; today, only 22.2 percent admit the possibility of a military take-over. This is the optimistic side of the picture, however. Reckoning on the pessimistic side, it could also be said that the majority of the Portuguese (the 31.5 percent with no opinion, plus the 22.2 percent who predict a coup) are not sure that the military are not on their way back.

Evora fears this the most (28.9 percent) and, with Coimbra, is the least sure of the permanence of democracy. For its part, Coimbra, which is very democratic and very gloomy, is the most cautious in predicting the future: 37.5 percent preferred to keep silent.

Proving that predictions are not to be confused with preferences, the only cities where an absolute majority believe in the permanence of the democracy are Vila Real (steadfastly democratic) and Porto (the most restrained supporter of the regime). Meanwhile, Vila Real wins the laurels, with 60.4 percent trusting in the stability of the democracy and only 17.4 percent predicting its fall.

Whereas the females (42.8 percent) refused to engage in the crystal ball gazing, the males' prognostication was decidedly in favor of the permanence of the regime. The young people are less confident: the fear of a coup is twice as strong (30.3 percent) as it is among older people (14.8 percent) and the young people are less firmly convinced that democracy has been institutionalized.

The doubts of the young people are also noted in the higher social brackets, in contrast to the security felt by the middle class.

The least advantaged do not mull over such matters (55.3 percent had no opinion), but they feel more strongly than any other group that democracy is here to stay; only 4 in 100 think a coup is possible.

AR: Vote of No-Confidence

Table 18: Response to Survey Question on the Performance of the Assembly of the Republic

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Good	12.4	7.9	10.8	11.3	16.1	10.7	19.9
Poor	63.5	69.0	68.1	63.3	63.2	59.3	50.5
Don't know	20.3	22.1	20.3	21.2	16.9	25.4	29.5
No response	3.8	1.1	0.8	4.2	3.8	4.6	-

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Good	17.2	8.1		13.8	11.1	8.8	14.8	3.3
Poor	67.2	60.2		68.7	58.7	77.3	61.4	6.4
Don't know	11.6	28.2		12.6	27.4	8.9	20.3	90.0
No response	4.0	3.6		4.0	2.8	5.1	3.5	0.3

If they had answered otherwise, there would be reason to suspect that it was the NORMA respondents who were not functioning soundly, because not even the deputies themselves have any illusions about the excellence of the Assembly of the Republic in which they serve. It would come as no great surprise to them that two-thirds of the population criticizes the functioning of Sao Bento. They might, however, be astonished to learn that, even so, an even larger majority has respect for them--both as deputies and as individuals.

Table 19: Response to Survey Question: "Do the deputies deserve respect?"

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Very much	10.3	6.0	18.6	10.3	9.7	10.2	17.2
Some	55.2	58.9	62.4	59.0	44.4	35.1	56.1
None	25.9	29.7	16.3	22.0	35.9	38.5	24.6
No response	8.6	5.4	2.7	8.6	9.9	16.3	2.1

	<u>M</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>F</u>		<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Very much	11.6	9.1		8.3	12.1	4.0	13.1	12.1
Some	50.3	59.7		57.4	53.2	59.0	55.1	33.2
None	30.2	22.1		27.2	24.7	28.6	25.3	17.8
No response	7.9	9.2		7.0	10.0	8.4	6.5	36.9

To summarize: 63.5 percent think the parliament functions poorly and 65.5 percent respect the deputies. The ills of the body are the sum of the virtues of its members. The mass media, responsible for informing the public, creates a uniformity of opinion.

Only 12.4 percent of the pure in heart imagine that everything is for the best in the conclave of the representatives of the people. The clamor of general criticism is particularly loud in Coimbra (69 percent) and in Evora (68.1 percent). Even where it is held to a minimum, in far-off Viseu, it is intoned by more than 50 percent of the population. In its benevolence, Viseu is also the city where more people (19.9 percent) are still convinced that Sao Bento is functioning well--an illusion which is shared by only 7.4 percent in Coimbra. Despite everything, there are differences between the coast and the interior.

The most disadvantaged class has the good fortune to be almost completely ignorant of what goes on in that lovely palace; 90 percent of them haven't the least idea. Even so, a minority has already perceived that it is not good, and the negative opinions outnumber the positive opinions by two to one. In contrast, the upper class is all too well aware of how things are going at Sao Bento--and 77.3 percent are horrified.

This has nothing to do with their deep belief in democracy, nor does it really [reflect] their steadfast confidence in the esteemed deputies. Although the latter do not merit "great" respect in Portugal (only 10.3 percent of the respondents would use such a strong word), they undoubtedly inspire "some" respect: 55.2 percent, or a sympathetic majority.

Proof that the legislator/legislature link is not direct is found, for example, in the fact that Porto and Vila Real have less respect for the elected deputies than Coimbra, which is more indignant about the spectacles in Sao Bento. Incidentally, Vila Real is the only city in which less than 50 percent of the population feel respect for the deputies. At the opposite extreme is Evora, where more than 80 percent of the respondents give them credit, despite the fact that they have a more unfavorable opinion of the AR than does Viseu.

The young people also see a distinction between men and their works; they are at once more severely critical of Sao Bento and more respectful of its members than is the older population group. As for the women, less radical than the men in their assessment of the assembly (primarily because they know less about it), they also demonstrate, consistently, more respect for the deputies. By socioeconomic bracket, the upper class hands down the most severe judgment, on both counts.

#### Country Agrees: Parties Are To Blame

It has nothing to do with distaste for democracy and there is no point in arguing that, since there can be no democracy without political parties, to criticize them is to criticize democracy and to bring up their evils is to threaten democracy. The Portuguese are democrats, but they are not fools. By a two-thirds majority of those who would even revise the constitution, the Portuguese point to the political parties, as a group, as primarily responsible for the crisis. (They do not clearly specify which party.)

Table 20: Response to Survey Question: "Who Is Responsible for Crisis?"

Response	Total	City					
		Coimbra	Evora	Lisbon	Porto	Vila Real	Viseu
Military	11.0	6.8	6.0	12.8	8.0	12.2	4.7
Unions	12.8	13.5	13.7	11.6	16.1	7.3	8.9
IMF	14.2	11.6	9.2	17.3	7.8	5.1	15.3
Political parties	63.6	76.8	73.1	69.2	46.7	45.5	44.8
Don't know	17.1	8.4	11.4	16.2	20.4	35.8	36.5
No response	2.8	5.9	1.0	1.7	4.4	9.1	6.3

	Sex		Age		Socioeconomic Bracket		
	M	F	18-44	45+	A/B	C	D
Military	12.0	10.0	11.1	10.8	14.0	9.7	8.5
Unions	15.4	10.4	9.3	16.0	14.3	13.0	1.2
IMF	17.3	11.4	17.4	11.3	19.2	12.8	1.2
Polit. parties	65.6	61.8	66.0	61.4	67.4	64.2	33.5
Don't know	9.0	24.5	13.1	20.8	14.1	15.6	55.1
No response	2.5	2.9	1.0	4.4	2.6	3.0	0.5

The parties did not exactly run away with first place, since the list presented included other competitors who were in a good position to take the role of scapegoat, but it was not to be. The fearsome IMF, frankly "persona no grata" everywhere, came in a very distant second, held responsible by only 14.2 percent of the Portuguese victims. The IMF was closely followed by the unions (blamed by 12.8 percent) and the military (only 11 percent).

In other words, the parties are to blame.

This isn't a new idea. Even last year, the public was pointing to the parties as the primary cause of the nation's derailment. It is just that the criticism is becoming more severe. Whereas 40.8 percent of the citizens blamed the parties in 1984, in April 1985 the figure swelled to 63.6 percent.

This relieved the unions of some of the burden of blame, which was heavier a year ago, when some 20 percent of the population held them accountable for the crisis. This burst of good will may have something to do with the crisis itself. Caught between having its wages in arrears and the spectre of unemployment, labor is no longer so quick to strike, with its negative effect on the public.

The military have also been excused; today, less than half as many accusing fingers are pointed at them as there were a year ago. As is known, no one really hates them. Moreover, the extinction of the Revolutionary Council silenced the accusations of the once much-talked-of military control over the regime.

#### Vote of No-Confidence

Now the regime belongs to the parties, against which indignation reached its height in Coimbra (76.8 percent), where, as seen in the following table, an absolute majority (56.8 percent) believe that the blame does not lie with any particular party, but with all of them. However, anti-party sentiment also reaches stupendous proportions in Evora (73.1 percent) and in Lisbon (69.2 percent),

with the disagreeable role of principal culprit falling to the PS [Socialist Party]. The north is kinder, but, even there, the most good will the parties can muster is in Viseu, where 44.1 percent blame them for the country's ills.

#### Second Most To Blame

Opinion is divided as to second place. "The unions," declare Porto (16.1 percent, the strongest anti-union complaint), Evora and Coimbra. "The IMF," counter Lisbon (17.3 percent) and Viseu. "The military," suggests Vila Real, all by itself. The country does not agree with Vila Real and places the military in fourth place on the blacklist, except in Lisbon, which judges the military more harshly than the unions, and in Porto, which criticizes the military more than the IMF.

The two sexes agree that the little appreciated IMF is public enemy number two--even though a fourth of the females (a much higher proportion than the males) don't know whom to blame. The younger people place the IMF, after the parties, as most to blame for the nation's ills, while the older people put the unions in second place. Of the socioeconomic brackets, the upper class is the most critical of the IMF (19.2 percent) and of the military (14 percent), on a par with the unions. The middle class puts the unions in second place as scapegoats. Most of the poor don't know who is ruining their lives (56 percent), but those who do put the military second and absolve both the IMF and the unions. The parties take the beating, democratically administered by all the classes.

PS: Big Bass Drum

Table 21: Response to Survey Question: "Which party do you blame most for the crisis?"

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
CDS	13.3	6.2	27.6	13.9	11.5	20.5	9.7
PC	16.7	7.0	28.0	20.2	8.5	22.0	16.1
PSD	21.1	7.0	34.1	22.8	18.4	22.1	15.8
PS	25.6	8.4	39.2	27.0	24.4	23.9	21.7
PRD	0.6	1.1	-	-	2.3	1.1	-
All of them	23.1	56.8	22.3	26.6	8.1	6.5	7.2
No response	5.4	5.2	2.5	6.8	2.4	4.2	2.8

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
CDS	15.7	11.1	16.1	10.7	13.1	13.5	12.2
PC	18.5	15.1	14.2	19.0	20.5	15.0	15.2
PSD	22.4	19.9	25.0	17.4	15.3	24.5	12.2
PS	26.9	24.4	27.6	23.7	19.8	29.9	12.2
PRD	0.7	0.6	1.3	-	0.2	0.9	-
All of them	24.0	22.3	26.3	20.2	30.7	20.5	11.8
No response	3.3	7.3	4.5	6.2	7.3	4.5	5.8

If the parties as a whole are held most to blame for this undefined ill which is called "crisis," the PS has the uncomfortable role of first among firsts. In apportioning the blame, all the respondents gave the PS the greatest share. This is the price of being large and of being the government party, a burden which is shared by the PSD [Social Democratic Party], which is a close second. Incidentally, the assignment of blame is precisely proportional to the size of the parliamentary benches, according to the ranking fixed in the last elections: PS first, PSD second, PC third and CDS [Social Democratic Center Party] fourth.

Thus, a quarter of the population attributes the crisis to the Socialists, who meet with the greatest hostility in Evora (39.1 percent) and the least in Viseu (21.7 percent), if we exclude the unique case of Coimbra, which puts all the parties in the same bag and assigns each of them a little bit of the blame. In contrast, Evora is the most critical of all the cities.

The condemnation of the PS is shared by both sexes and both age groups, but not the three social classes. Actually, both the most privileged and the most underprivileged selected the PC as primarily responsible for the nation's disarray; the poor were unique in assigning an equal share of the blame (12.2 percent) to the PS, PSD and CDS.

The PSD, which was blamed by a fifth of the population, on the average, in both north and south, also received the highest dose of criticism in Evora (34.1 percent) and the smallest dose--excluding Coimbra--in Porto (18.4 percent). Both in Lisbon and in Vila Real, however, the indignation against the Social Democrats was almost as strong as it was against the Communists.

The Communists were considered the architects of the crisis by 16.1 percent of the population--blamed more than the CDS everywhere except--imagine it!--in Porto, which decided to blame the Centrists more than the PC. Cunhal's party had the cleanest image in Porto, and its worst image again came in Evora, where 28 percent blamed the PC for the state of affairs.

The CDS was relatively well treated in this survey--only 13.3 percent blamed it for the crisis. The harshest accusation came from the usual city [Evora] (27.6 percent) and from Vila Real (20.5 percent).

The younger people are more critical of the PS/PSD duo than their elders. The older people see the Communists as the second source of the collective misfortune.

The PRD [Democratic Renewal Party], which has not yet been tested, gets away practically clean, or, if you want to look on the bad side, the PRD is not even in existence yet and has already been assigned 0.6 percent of the blame.

#### IV. For Institutions and Against Them

The Portuguese support the institutions which they have and--by a miracle of inclusion--they also support opposing institutions. They support the constitution, in which socialism is consecrated, but they say they also favor the capitalist model. They are for the collectivist Agrarian Reform, but they defend profit as the driving force of the economy. They oppose a drastic reduction in the



number of civil servants, but they would like competition to be the basic social rule. They reconcile theoretical adherence to a basic constitution which is strongly aimed at statism with enthusiasm for the new winds of liberalism, a condemnation of the nationalizations (not all of them), advocacy of private television and defense of the referendum. However, where they had already become more liberal--on abortion--they retreated. A mirror of national disorientation. Meanwhile, the country holds fast to the great mark of the beginning of the regime: decolonization.

Constitution: Yes.

Table 22: Response to Survey Question on Constitution

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	50.5	58.7	59.7	50.0	47.1	80.2	59.0
Against	11.4	14.6	8.0	11.6	11.2	4.3	4.2
No opinion	38.1	26.7	32.3	38.3	41.7	15.5	36.7

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	59.7	42.2	59.0	42.7	58.3	49.6	13.8
Against	13.9	9.1	13.3	9.7	16.6	9.5	4.5
No opinion	26.4	48.7	27.7	47.6	25.0	40.9	81.7

This is a dubious question: when a Portuguese says he is in favor of the basic law of his country, does he mean to say he thinks it is a good constitution, or is he simply demonstrating that he is a good citizen, respectful of the so-called democratic legality?

In any event, 50.5 percent--an absolute majority anywhere in the world--say they support the constitution by which we are governed, as against a minority of 11.4 percent who oppose it. Thus, indirectly, they sanction the constitutional revision of 1983, since, when they were questioned a year ago about the original 1976 text, the citizens were much more reserved in their support. Certainly, the country is less divided over the current version--as, indeed, was the intention.

Even so, just as in 1984, a respectable 38 percent are neither warmer nor cooler.

Vila Real is particularly enthusiastic about the constitution which Eanes has sworn to uphold. More than 80 percent, or the fateful four-fifths required for an immediate revision, support the constitution. The greatest reservations are in Porto, where the supporters (47.1 percent) was equalled by the number who are indifferent. Give or take a point, however, the entire country accepts the charter which governs it, but this does not, as will be seen, prevent the people from repudiating the nationalizations which are permanently established in that constitution.

At least half the women and the older class are unfamiliar with its contents, however, along with 80 percent of the disadvantaged class. Hence, it is in the

upper class--precisely the class which daily calls the loudest for its revision--that the constitution finds its largest group of supporters: 58.3 percent.

What would Lucas Pires think about that?

Nationalization: No

Table 23: Response to Survey Question on Nationalizations

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
In favor	25.2	20.8	41.3	27.1	18.0	38.4	40.3
Against	42.7	57.0	35.5	38.5	51.8	38.5	30.8
No opinion	32.1	22.1	23.2	34.4	30.2	23.0	28.9

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
In favor	25.8	24.7	30.0	20.8	27.6	25.6	5.3
Against	53.0	33.3	42.3	43.0	43.2	44.5	15.2
No opinion	21.2	42.0	27.7	36.2	29.3	29.8	79.5

There it is again: that ambiguity. The country swears allegiance to the constitution--and rebels against the nationalizations of 11 March, which the constitution made irreversible. As seen below, the country temporarily resolves the dilemma by recommending the elimination of the EPs [state companies] that are considered inviable.

The country still has not managed to reach complete agreement: 10 years later, the conquest of conquests still has its defenders. While it is not surprising that Evora remains faithful to the nationalizations (41.3 percent in favor, with 35.5 percent opposed), it may be asked what Viseu can be thinking of when it supports, by four to three, the maintenance of the project which the PC carried out there in 1975. Vila Real is also divided in half over the nationalizations. Dr Soares may have his work cut out for him in these parts to undo the doctrine which his party helped to consolidate.

In Coimbra and in Porto, the absolute majority oppose the nationalizations and something similar takes place, although with some hesitation, in Lisbon. Taking the national average, a fourth of the country is pro-nationalization and 42.7 percent oppose it.

One-third of the country does not know what to think. As in the case of the constitution, the matter of the EPs is particularly obscure for the women and for older people--and don't ask the disadvantaged for an opinion, because 8 out of 10 do not have one. The upper and middle classes both repudiate the so-called April nationalizations. The picture is that of a country which is ripe to applaud a constitutional amendment in this area, and the parties should determine to make one.

# Referendum: the Last Word

Table 24: Response to Survey Question on Referendum

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	45.4	63.9	66.8	45.0	39.3	49.4	43.7
Against	6.2	5.1	11.3	7.2	3.5	3.1	8.0
No opinion	48.4	31.0	21.9	47.8	57.2	47.5	48.3

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	59.7	32.4	50.0	41.1	62.8	40.3	4.1
Against	7.5	5.1	7.8	4.8	7.2	6.3	0.3
No opinion	32.8	62.5	42.2	54.1	30.0	53.4	95.6

It is not known what kind of referendum the country wants--but the country certainly wants to have the right to the most direct and clear expression of its will.

It divided the Portuguese in 1980, when they closed ranks behind Eanes against the constitutional referendum which was urged by Sa Carneiro's Democratic Alliance. Since then, various quarters--including Belem--have defended direct popular consultation on great national decisions, such as the decriminalization of abortion or admission to the EEC.

The referendum is supported by 45.5 percent of the citizens, as against an inexpressive 6.2 percent. However, if this survey were a referendum to ascertain if the Portuguese desired a referendum, almost half the Portuguese would have stayed home (48.4 percent had no opinion).

Seen favorably throughout the country, the idea of referendum is welcomed with particular warmth in Evora (66.8 percent) and in Coimbra (63.9 percent). More than half the residents of Porto are left cold.

Although there is lively support for the referendum among the men, it means nothing to two-thirds of the women, a majority of the older people and virtually all of the lowest class, in which 95 percent are either unfamiliar with the word or do not believe the country has remembered to ask their opinion on anything at all.

Naturally, the upper class calls the loudest for the right to be consulted by means of a system which some consider the purest form of democracy and others see as demagogical, and for which there is no provision in the constitution, only at the local level.

There are those who think that, since it derives directly from popular sovereignty, the referendum does not require an express provision in the constitution for its application.

# Abortion: Women Against, Men in Favor

Table 25: Response to Survey Question on Legalization of Abortion

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	40.2	51.4	52.4	43.6	27.6	27.5	39.3
Against	40.5	40.0	42.8	34.5	55.1	62.8	39.5
No opinion	19.3	8.6	4.8	21.9	17.2	9.7	21.1

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	42.6	38.0	54.2	27.2	44.5	41.2	-
Against	39.9	41.1	30.8	49.5	50.7	34.9	50.4
No opinion	17.5	20.9	15.0	23.3	4.8	23.9	49.6

The decriminalization of abortion is known to be one of the issues on which the Portuguese are most divided. No survey has come up with a clear majority for or against abortion, and this survey is no exception: 40.5 percent of the respondents oppose it, 40.2 percent of the respondents are in favor of it, so decriminalization loses by 3/10ths of a percentage point.

Oddly enough, in the survey conducted a year ago, shortly after the passage of a law which, for the first time in Portugal, authorized the voluntary interruption of pregnancy in certain cases, the more dominant trend was to applaud the decision. It might be said that a year of practice has created some hesitation.

It is the women, who are still very much divided, who now condemn abortion, although by a small majority (41.1 percent to 38 percent). The men continue to support the more liberal policy.

Since it is a question of values and of a way of life, the generations are also at odds over abortion. An absolute majority of young people (54.2 percent) support the present law and their elders reprove them. The rich (50.7 percent) and the poor (50.4 percent) defend legalization and the middle class opposes it. Although not a single voice of disapproval is raised in the most disadvantaged class, 49.6 percent choose not to choose. In the upper class, the support coexists with strong opposition (44.5 percent). [Paragraph as published. Figures appear in table in reverse order.]

The country is divided at the line of Montego. An absolute majority support decriminalization in Coimbra and Evora; a smaller majority supports legalization in Lisbon. Two-thirds are opposed in Vila Real and more than half the respondents are opposed in Porto. Viseu is divided into two camps of equal size.

## Hail Private Television!

Although the Portuguese consider what they see as the improved television which they have now to be one of the few benefits of 25 April, a very evident majority of them (61.2 percent) would like to see it face some competition from the

private sector. Since the PS has finally perceived this, joining with an old PSD/CDS cause, there is some hope of rejoicing in this sector.

Table 26: Response to Survey Question on Private Television

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	61.2	65.7	53.9	59.4	66.1	70.6	49.1
Against	19.1	13.0	28.3	22.0	12.4	9.4	19.3
No opinion	19.7	21.3	17.8	18.6	21.5	19.9	31.6

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	71.5	51.9	68.4	54.6	69.3	60.0	27.1
Against	17.5	20.6	19.2	19.1	14.1	22.6	4.5
No opinion	11.0	27.5	12.4	26.4	16.6	17.3	68.4

It is noted that although the two are often almost indistinguishable, the craving for private television is not exactly the same as the desire to grant a channel to the Church. Surveyed a year ago on this latter possibility, the citizens approved the idea, but they did not demonstrate the great enthusiasm which is evident in this more general question.

The novelty of a television independent of the state is desired with varying intensity in the north and south, in the interior and on the coast, in the large cities and in the provinces, but most of all by the young people and the upper and middle classes. Almost 70 percent of the most disadvantaged class are indifferent--they have other problems--but, of those who responded, only one-eighth spoke out against it.

The militant opponents of an alternative to the RTP are concentrated in Evora, although a majority of its inhabitants looked favorably on such an alternative. The firmest advocates of private television (70.6 percent) are in Vila Real.

#### Agrarian Reform: the Myth Continues

Agrarian Reform: if this survey were the Council of Ministers, Alvaro Barreto would be resigning from the government, honoring the promise made if the coalition did not pass his daring agricultural package--revolutionary or counterrevolutionary, depending on your point of view.

"Agriculture is in bad shape," the majority had said a few moments earlier. "Viva Agrarian Reform!" the very same majority is chanting here. It is difficult to work up enough trust to assume that, in expressing their approval, the respondents (or some of them) naively understood Agrarian Reform to mean a whole group of radical changes that are needed to develop our agriculture.

The figures are there. Over 60 percent in Evora are in favor of the UCP's--although more than 20 percent oppose them. But Vila Real, where 54 percent support the collectivized model of the south? And Porto? And Viseu? And Coimbra? And Lisbon, which does not have any farm land and certainly views the matter from an essentially political standpoint?

Table 27: Response to Survey Question on Agrarian Reform

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	49.4	40.0	60.3	53.0	40.8	54.0	45.9
Against	17.1	32.5	21.9	15.2	17.5	14.5	23.7
No opinion	33.6	27.5	17.8	31.8	41.7	31.5	30.4

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	52.7	46.3	57.9	41.5	46.0	53.6	15.1
Against	22.8	11.9	13.4	20.5	25.1	14.4	2.5
No opinion	24.4	41.8	28.7	38.0	28.9	32.0	82.4

"Agrarian Reform, yes sir!" say a majority of the men, a mass of young people and the greater part of the middle class. "Agrarian Reform, sure," echo the women, the older people, the rich, although a little more softly. "I don't know anything about agrarian reform," confess 82 percent of the most disadvantaged class, but, even in this class, most of those who have an opinion favor agrarian reform.

So the myth of Agrarian Reform endures. For 49.1 percent, as against 17.1 percent, with one-third abstaining, it is "Viva Barreto I! Scram, Barreto II!" This is a strange country.

Decolonization: Yes, Sir!

Table 28: Response to Survey Question on Decolonization

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
For	44.2	33.8	46.0	52.2	26.3	42.8	33.5
Against	33.8	55.4	41.4	30.3	36.9	34.0	30.9
No opinion	22.1	10.8	12.6	17.5	36.8	23.2	35.7

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
For	46.6	42.0	52.5	36.5	51.3	43.2	12.1
Against	41.5	26.8	28.0	39.1	35.8	33.7	22.0
No opinion	11.9	31.3	19.5	24.5	12.9	23.0	65.9

Done well or done badly, decolonization--be it model, shameful or simply possible--is endorsed by 44.2 percent of the people. The controversy has not died down, however. If history's clock cannot be turned back, the judgment of the past can undergo revision. The withdrawal from the colonies has lost support since last year. It is certain that fewer people contest it, but a larger group is unable to render a verdict.

Not all the country goes along with the prevailing trend. In Coimbra, for example, more than half the population disapproves the withdrawal from Africa, or the way in which it was carried out. Porto also condemns the decolonization, although not so strongly. The other cities expressed approval, although by an absolute majority only in Lisbon. Men and women--the men who went to war and the women who feared for them--are happy about the decolonization, but twice as many men as women oppose it. The women would rather be quiet than condemn a withdrawal that may have saved the lives of their sons and husbands.

The young men, who would have had to go into combat, clearly expressed their satisfaction that the war was over. The older people--many of whom may also have served--opposed the decolonization.

The most disadvantaged class also voiced its opposition, although the great majority had no opinion. The middle class and, above all, the upper class hailed the end of the imperialist era.

### Capitalism: a Cautious 'Yes'

Table 29: Response to Survey Question on Capitalist Economic Model

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Good	33.1	26.0	34.2	32.2	37.7	29.4	23.4
Bad	20.2	26.2	41.0	20.2	15.1	24.8	33.4
No opinion	46.7	47.8	24.8	47.5	47.2	45.8	43.1

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Good	43.6	23.7	36.6	29.9	36.5	33.1	12.3
Bad	29.9	11.4	26.2	14.7	23.6	20.0	1.6
No opinion	26.5	65.0	37.2	55.4	39.9	46.9	86.1

Either they don't really know what a "capitalist economic model" is or they don't know whether it works. Almost half the Portuguese (46.7 percent), whose ears may still be ringing from all the attempts to teach them about the capitalist bogeyman, took refuge in prudent silence.

Nonetheless, one-third ventured to come out in favor of capitalism. The country is mistrustful; the country hesitates to say yes or no. Only one-fifth of the country said no.

In the two big cities, Lisbon and Porto, the model of free enterprise had a relatively welcome reception, particularly in Porto, where the figures were 37.7 percent in favor and 15.1 percent against. At the opposite extreme was Evora, frankly opposed to capitalism, by 41 percent to 34 percent, with only about one-fourth abstaining.

Two-thirds of the females and four-fifths of the most disadvantaged class had no comment, and more than half the older people ducked the question. However, all these groups finally offered a more or less cautious "yes." Among better

informed groups--males, the younger respondents, the privileged classes-- there was more support for the capitalist model, along with stronger opposition, with the following result: although three times as many [rich] people as [poor] people favored capitalism, the pro/con ratio was 12 to 1 among the poor and 2 to 1 among the rich. The poor are not opposed to capitalism; it is the others who indulge in this luxury.

#### Profit: On the Side of Good

Table 30: Response to Survey Question on Profit as the Driving Force of the Economy

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Good	50.6	60.6	72.4	50.5	47.5	49.0	26.3
Bad	11.1	13.0	14.3	12.4	6.5	7.2	20.1
No opinion	38.3	26.4	13.3	37.1	46.0	43.8	53.6

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Good	64.5	38.1	57.6	44.2	55.8	50.8	16.4
Bad	14.6	7.9	15.9	6.7	18.4	7.5	13.1
No opinion	20.9	54.0	26.6	49.1	25.8	41.7	70.6

The country is certainly in favor of profit. However, the respondents were not asked about how wonderful it is but about its capacity to spur the economy--a more sophisticated concept.

The majority (50.6 percent) understood and approved. Or did they understand? The multiplicity of questions ends by setting traps which trip people up. For example, it was in Evora, the staunchest defender of the nationalizations, that the idea of profit as the driving force of the economy also won the most enthusiastic support: 72.4 percent. Moreover, upsetting the usual arrangement of the country, with industrious private initiative in the north and self-indulgent statism in the south, it was only from Mondego to the south that an absolute majority saw the value of profit.

The generation over 44 years of age is unsure whether profit spurs the economy or not (49 percent did not respond); the women don't know (54 percent); and the poor certainly don't know (70.6 percent). However, in every group, those with an opinion favored profit by a large margin. Moreover, both males and the upper bracket, quite familiar with the merits of profit, are enthusiastically in favor of it: 64.5 percent of the males and 55 percent of the well-to-do. In the middle class, a very small number are opposed to profit (7.5 percent), but there are also fewer (50.5 percent) in this class who are certain of its value. The most underprivileged are also the most mistrustful: 16 percent are pro-profit and 13.1 percent are against the profit of the others.



## Non-viable State Companies: Close Them Down?

Table 31: "Should non-viable public enterprises be closed down?"

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
[Yes]	38.0	50.9	40.0	36.9	36.9	54.9	41.8
[No]	32.5	32.4	47.4	33.2	30.1	23.3	17.3
No opinion	29.4	18.7	12.6	29.8	33.0	21.8	40.9

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
[Yes]	43.3	33.3	38.0	38.1	43.8	37.2	13.5
[no]	30.0	34.8	39.5	26.1	33.0	33.7	13.8
No opinion	26.7	31.9	22.5	35.8	23.1	29.1	42.7

Public or private, a company which is "non-viable" is one which (according to the dictionary) is "incapable of surviving," "cannot function," is "unfeasible," "impractical" and "unworkable."

No matter what the dictionary says, however, such companies exist. What's more, they not only exist but almost one-third of the Portuguese (32.5 percent) would be opposed to closing them down.

Perhaps these Portuguese still have dreams of some providential plan for their viabilization, their reconversion, whatever will keep their doors open. However, and even in a period of crisis, 38 percent already think the best thing to do with a truly non-viable state company is to simply close it down.

In Coimbra (50.9 percent) and in Vila Real (54.9 percent), an absolute majority of the population are already convinced of the merits of this prescription. Although Viseu is somewhat indifferent to the fate of the state business sector, it agrees. Lisbon and Porto have some reservations, however, and as for Evora, the opposition wins out: 47.4 percent are against the policy of the so-called destruction of the April conquests.

The sexes are not in agreement. The men favor the realistic close-down; women insist on the artificial survival of the companies and their precious--non-viable--jobs. The generations also disagree: the older people accept the doctrine of extinction; the younger people (although divided) oppose any nibbling away at this huge public sector, which, as it said in the books, was going to light the way for Portugal's development.

Tired of making up deficits with their taxes, the upper and middle classes no longer manage EP's (which was not bad while it lasted) and now prefer to do without them. The lower class, which is not very well informed on this matter, saw somewhat more bad than good in closing down state companies.

## Civil Servants: Send Them Home?

Table 32: Response to Survey Question: "Should the number of civil servants be drastically reduced?"

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
[Yes]	27.3	36.3	29.3	28.9	20.4	40.4	22.7
[No]	45.1	48.6	59.5	44.5	45.3	35.9	32.9
No opinion	27.6	15.1	11.2	26.6	34.3	23.7	44.5

	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
[Yes]	38.3	17.3	32.5	22.5	35.5	24.5	12.5
[No]	41.0	48.8	47.1	43.3	42.2	47.6	31.0
No Opinion	20.7	33.8	20.4	34.2	22.2	27.9	56.5

It was to be expected: a country which sees unemployment as the number one problem is not going to recommend a drastic reduction in the number of civil servants, even though, in theory, it could be a sound move (which, incidentally, has not been proved). Logically, the suggestion is rejected by an expressive majority of 45.1 percent, as against 27.3 percent who have the courage to defend it.

Solidly united in defense of the status quo, Evora speaks out loudly (59.5 percent) against the reduction--and drastic, at that!--of the number of civil servants, with an indignation unmatched elsewhere. Coimbra (45.1 percent) [as published], Lisbon (44.5 percent) and Porto (45 percent) join the chorus. Viseu goes along with them, more quietly. The only discordant voice is that of Vila Real, which, by 40.4 percent to 35.9 percent, would not hesitate to relieve the bureaucratic machine of its alleged human overload.

Much more than the men, the women (in a respectable proportion of 48.8 percent to 17.3 percent) put their foot down against the idea of dismissing civil servants.

The young people are distinguished by the vehemence of their stands; more young people than old favor drastic therapy, but more young people also oppose it.

By social bracket, the most violent reaction comes from the middle class, which looks decidedly askance at any raid on the civil service, whose ranks are filled by this same class. The lower class is also opposed, however, leaving the upper class as most receptive (but not very receptive) to such a policy.

### Competition: Question of Degree

If the respondents had been asked if social solidarity is a good or bad thing, would they have condemned it? Since the question was not asked, there is no point in speculating. They were asked how they viewed competition, and a significant majority of 56.4 percent said they looked very favorably on it--a very healthy attitude, certainly.

Table 33: Response to Survey Question on Competition as a Social Precept

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Good	56.4	34.7	61.8	64.5	42.3	35.4	30.2
Bad	12.7	35.1	19.7	10.8	11.1	15.8	20.9
No opinion	30.9	30.2	18.5	24.7	46.6	48.8	48.9

	<u>Total</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Good	66.9	46.9	60.4	52.7	67.6	53.9	19.4	
Bad	14.9	10.8	19.3	6.7	17.7	11.3	1.3	
No opinion	18.2	42.3	20.3	40.6	14.7	34.8	79.4	

--Another curiosity, in a country which does not want examinations, which clings to automatic promotions, which does not trust in recompense according to merit and which feels it has a birth right to a state subsidy.

Nonetheless, it favors competition--this capitalist invention which, according to its detractors, destroys human relations but which, according to its defenders, constitutes the great driving force of progress. At bottom, perhaps, it is a question of degree.

Generally considered a good thing everywhere, competition is particularly hailed in Lisbon (64.5 percent) and in Evora (61.8 percent--imagine!), while the rest of the country is less ardently in favor of competition. Only a third of the residents of Viseu and Vila Real favor it and Coimbra even declares, although by a narrow margin, that it opposes competition as a basic social precept.

The men are more competitive than the women and young people are more competitive than their elders. The appetite for competition varies in inverse proportion [as published] to the socioeconomic strata, affecting two-thirds of the upper class and less than one-fifth of the lower class. It is not that the lower class does not want to compete; it does not want--or does not know how--to respond (79.4 percent expressed no opinion).

Social Security: Desired

Table 34: Response to Survey Question on Private Insurance Plan in Competition with Public System

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
[For]	44.9	39.2	49.1	45.2	46.3	31.8	27.7
[Against]	19.1	25.2	31.2	21.3	10.4	16.0	23.7
No opinion	36.0	35.6	19.8	33.4	43.3	52.2	48.6

	<u>Total</u>	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
		<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
[For]	52.6	37.9	53.2	37.3	56.7	41.3	19.4	
[Against]	20.8	17.7	26.1	12.7	23.8	18.3	1.3	
No opinion	26.6	44.5	20.7	50.0	19.5	40.4	79.4	

A good social security system--a good umbrella which would really assure the citizen of shelter in case of illness, old age, unemployment, orphanage and other misfortunes--is always one of the most estimable virtues of the Welfare State; in the opinion of many, it is sufficient cause to forgive other less lovable aspects of the guardian state. It is why the Scandinavian social democracies have long been admired.

Portugal is not a Scandinavian country, nor is it exactly a social democracy, and, in the area of social security, it fails miserably. Proof positive: the eagerness with which 44.9 percent of the respondents view the prospect of having, again, a public service upstaged by a private competitor.

The whole country agrees--starting from the principle, certainly, that it would not be obliged to pay double, for the private insurance plan of its choice and also the obligatory withholding for the state system.

The desire for an alternative was strongest in Porto, but it was also noteworthy in Lisbon and Evora. Coimbra, Vila Real and Viseu also favored a private insurance plan, but they expressed less determination. Altogether, however, less than 20 percent of the respondents were opposed to a competitive social insurance plan.

If, in many cases, what is good for some is not good for others, in this case men and women, young and old and all the social classes joined in the same aspiration. Will they be lucky?

#### Stability, Above All

Table 35: Response to Survey Question on Stability Versus Change

<u>Response</u>	<u>Total</u>	<u>City</u>					
		<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Stability	59.8	71.3	34.2	59.4	61.4	62.7	59.4
Change	36.8	26.6	56.7	37.0	36.2	35.7	38.5
No opinion	3.3	2.1	9.1	3.6	2.4	1.6	2.1
	<u>Sex</u>		<u>Age</u>		<u>Socioeconomic Bracket</u>		
	<u>M</u>	<u>F</u>	<u>18-44</u>	<u>45+</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Stability	57.2	62.3	53.6	65.5	57.5	62.6	37.8
Change	41.6	32.5	46.2	28.2	42.3	34.3	35.6
No opinion	1.2	5.3	0.2	6.2	0.2	3.0	26.5

This is the last image on the film: 11 years later, the country pleads, above all, for stability.

Surveys, however, are an exercise in black and white, forcibly boxing complicated feelings into round, mute numbers--feelings whose real significance may quietly escape the tables of results. Does the country need stability or change? Put a cross in the box of your choice. What if the country needs both stability and change? Or change to achieve stability?

It is certain that the Portuguese are tired of changing the government, only to have nothing else change. The political theater--with its inexhaustible supply of actors, strokes of great suspense, spectacular entrances and pathetic exits--does not entertain them. But can they really want to go on with the same employment picture, the health, the economy, everything which they assessed and found wanting?

Among the 36.8 percent who voted for change, how many do not want the same things as the 59.8 percent who preferred stability? Look at it any way you will, however, one point seems clear: the Portuguese are tired of not knowing what standards they can rely on, what institutions will be in place the next day, or who will appear tomorrow to revoke the decree which was decreed only yesterday. Possibly, they are also willing--if necessary, at any price--to lead a routine life.

#### Summary

##### The young people:

- Strongly support 25 April, by a majority;
- Are less critical than their elders of the state of education, public safety and agriculture;
- But more critical in matters of housing, employment and the economy;
- Think the health system has improved, contrary to their elders and the nation as a whole;
- See culture as the primary benefit of the revolution (60.6 percent);
- And employment as the major crisis (91.8 percent).

##### People over 44 years of age:

- Are less in favor of 25 April, with those who are opposed or indifferent outnumbering supporters;
- Are more critical than young people of education, public safety and agriculture and less critical in matters of housing, employment and the economy;
- Think television and culture have declined, unlike the young people and the middle class;
- Think local government has presented the only progress;
- After employment, are most negative in their opinion of public safety;
- And, except for health, have formed fewer opinions than the young people on the issues under consideration.

##### The upper classes:

- Still support 25 April;
- Are more critical than the other classes of the state of education, housing and the economy;
- Are less critical of the health system which--unlike the rest of the country--they think has improved.
- Have the greatest criticism for the economy (85 percent);
- Place health (43 percent), agriculture (31.7 percent) and local government (54.3 percent) on the positive side of the ledger.

The most disadvantaged:

- Form the class most favorable to 25 April;
- Also form the only class which derived no benefit from the revolution;
- Have no opinion of its effects on housing (35 percent), on culture (45.1 percent), on agriculture (68.5 percent) or on local government (69.3 percent);
- Are more critical than the other classes of health and television, which they alone condemn;
- Think television, culture and local government (the only areas in which the country as a whole sees some progress) have declined since 25 April.
- Are most severely critical of the employment situation (75.5 percent) and housing (60 percent);
- Although they see them as declining, television and education are the areas in which the greatest proportion of them saw some improvement (17.7 percent and 13.1 percent, respectively).

The middle class:

- Is least enthusiastic about 25 April;
- Is most critical of public safety (80.5 percent), employment picture (92 percent), agriculture (50.2 percent), culture (32.9 percent) and local government (25.6 percent);
- Sees employment and housing as worst problems;
- Sees improvement in television, culture and local government.

As a whole, the Portuguese;

- Feel more strongly in favor of democracy (80 percent) and are convinced of the stability of the democratic regime (46.3 percent);
- Think Portugal has gained prestige in the world (62.5 percent);
- Are neither happier nor unhappier;
- Have become more critical of the parties (63.6 percent);
- And of the Assembly of the Republic (63.5 percent);
- But still respect the deputies (65.5 percent);
- Do not miss Salazar (48.2 percent);
- But bemoan the loss of Sa Carneiro (70 percent).

Young people:

- Are happier than they were 11 years ago, by two to one;
- Are more politicized than their elders and bet strongly on democracy;
- Although one-third fear a military coup;
- Three-fourths think Portugal has gained international acceptance;
- The majority have no use for Salazar;
- Feel the loss of Sa Carneiro, but less than their elders;
- Blame the PS/PSD for the crisis;
- Are particularly critical of the Assembly of the Republic and
- Particularly benevolent toward the deputies.

Those over 44 years of age:

- Are unhappier than before 25 April;
- But, even more than the young people, do not want the dictatorship back;
- Tend to see the democracy as permanent;
- But are less willing to believe that Portugal's prestige has grown;

- Are not sure how much Salazar's absence means to the country;
- Are immensely nostalgic for Sa Carneiro;
- Blame the crisis on the PS/PC and the unions;
- Agree that the Assembly of the Republic does not function well.

#### The disadvantaged:

- Are unhappier than they were 11 years ago;
- Are still apolitical, but they are democratic;
- Do not know if there will be a coup, but think not;
- Do not know what the world thinks of Portugal;
- Do not pine at all for Salazar;
- And miss Sa Carneiro less than the other classes do;
- Do not know who is responsible for the crisis, but think it is the parties, particularly the PC;
- Have doubts about the functioning of the Assembly of the Republic.

#### The upper classes:

- Feel the same as they did 11 years ago;
- Are fiercely democratic;
- Fear for the future of democracy;
- Rejoice in the nation's prestige;
- Firmly dispense with Salazar;
- But miss Sa Carneiro more than the others do;
- Blame the parties, particularly the PC, and the IMF for the crisis;
- Are horrified at the functioning of the Assembly of the Republic.

#### The middle class:

- Is neither happier nor unhappier;
- Is democratic, but has the largest proportion who look favorably on dictatorship;
- Is inclined to believe the democracy is stable;
- Miss Salazar some;
- And miss Sa Carneiro very much;
- Blames the crisis on the parties (PS/PC) and the unions.

#### Technical Note on Survey

Universe: Portuguese population over 18 living in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu.

Sample: 601 persons

Sampling method: Random, stratified by city, disproportionate [sampling rates vary by city].

Selection procedure: Random, using the "random route" method for the household and the Kish method for the individual to be interviewed.

Collection method: Direct personal interview, using a structured questionnaire, in the respondent's home.

Sampling points: 6 cities from which 60 starting points were selected [probably 10 per city].

Field work: Interviews conducted between 23 March and 4 April 1985.

Margin of error: For totals, the error is plus or minus [value omitted], with a 90-percent confidence interval for an estimate p=50 percent.

Survey organization: The survey was conducted by NORMA, Inc., Portuguese affiliate of Gallup International.

6362

CS0: 8042/1372



JPRS-WER-85-059  
15 July 1985

## BRIEFS

FREITAS DO AMARAL TERMED WINNER--It appears that the wheel of fortune spins more rapidly in the PSD than it seems to do in the other parties, making leaders with the same indifference with which, a short time later, it unmakes them. Cavaco Silva was the latest on whom its favor shone, Rui Machete its latest victim. Of the latter, little or nothing was known only a few months ago as to his capacity for political decision making, but by now it is at least known that it wasn't enough to transform the tentative into the definitive. Elected on the basis of his relative equidistance from the factions, he simply went along with whatever moves the factions were making at any given moment. When everything got mixed up over the presidential stakes, because of the withdrawal of Firmino Miguel, his departure became logical and inevitable. Cavaco Silva's possible capacity for leadership is also unknown, but it is known that he supports having a presidential candidate who brings together broad sections of the party and gives second place to many of the points that might otherwise have to be argued. In any case and whatever the PSD may expect from Cavaco Silva's political management, Freitas do Amaral ended up being the big winner of this congress. [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 20 May 85 p 8] 12430

PEOPLE DISDAIN POLICE--For 50 percent of the Portuguese questioned in a survey ordered by O JORNAL from "Marktest," relations between the security forces (PSP [Public Security Police], GNR [Republican National Guard], the Customs Guard, the Judicial Police, and the Traffic Police) and the population can be described by the term "antipathy"; for 44 percent, these relations are "not correct" and "uneducated." Concerning police aggressiveness, 46 percent believe that the police are "not aggressive" and 45 think that they are "aggressive." Conducted among PS [Socialist Party], PSD [Social Democratic Party], APU [United People's Alliance], and CDS [Social Democratic Center Party] voters, the survey shows that a majority of the CDS and PSD supporters have a positive opinion; for the PS and above all for the APU, this opinion can be described as unfavorable. Rather negative, in keeping with its operations, is the image created by the Customs Guard (2.57), PSP (2.78), and GNR (2.79) on a scale from 1 (very bad) to 5 (very good); the Judicial Police (3.12) and the Traffic Police (3.21) have a positive image. Questioned as to whether the police should be armed or disarmed in the cities, 73 percent of those responding argued that the police should be armed and 22 percent said that the police should be disarmed. Among the former, 70 percent came out in favor of the use of pistols, 25 percent wanted "billy-clubs," and 4 percent suggested submachineguns. The police however should use firearms in legitimate defense (79 percent) and in disturbances of the public order (14 percent); as for the detention of suspects, 28 percent came out in favor of the use of firearms and 63 percent were against. [Excerpts] [Lisbon O JORNAL in Portuguese 17-23 May 85 p 16] 5058

POLITICAL

SWEDEN

# KDS LEADER VIEWS PARTY'S ROLE IN NONSOCIALIST COALITION

Stockholm DAGENS NYHETER in Swedish 15 Jun 85 p 8

[Article by Dick Ljungberg]

[Text] Alf Svensson, leader of the KDS [Christian Democratic Union], does not intend to engage in any blackmail if he winds up in a key position in Parliament following the election in September.

Instead, he advocates compromise, even though there are limits to how far the KDS can go in making concessions to others. This applies, for example, to the protection of unborn children.

The last preelection voter barometer by the SCB [Central Bureau of Statistics] shows that the Social Democrats and the VPK [Left Party-Communists] are ahead of the three nonsocialist parties represented in Parliament. But if the KDS figures are included with those for the Center Party, the two blocs come out even. So if the KDS wins a few seats, it may have the deciding vote in Parliament.

That situation is not entirely new to the KDS. The party also occupies the key position in several municipalities and on several county councils. But Parliament is naturally on a somewhat higher level, said Alf Svensson to DAGENS NYHETER.

## Deciding Vote

"On the county councils, the chief result of the KDS' deciding vote has been coalition government involving all the parties (something that the KDS also wants for the entire country). In the municipalities, we are 'governing' during this term with the nonsocialist parties. But previously, the fact that we were the key party meant that the so-called blocs found it easier to draw closer to each other and cooperate," says Alf Svensson.

"And I consider that a big merit. In a democracy like ours and with the problems we have had, it is urgent that 51 percent should not dictate to the rest."

The Christian Democratic Union has pledged to support a nonsocialist candidate for prime minister if there is a change in government this fall. That would

also involve a responsibility to support the prime minister in parliamentary work.

"Yes, that is true. But that prime minister must also accept a responsibility, which is to realize that his job as prime minister is undergirded by several party programs. There must be mutual understanding," says Alf Svensson.

"There must be compromise, and I have never once thought that compromise was something ugly. It is always better to take one step forward than to stay where you are because you can't take seven steps at a time."

#### Christian Schools

We asked Svensson if there were any issues on which he could not compromise.

"Yes, but on those questions, the fact is that the other parties do not take a stand as parties, so everyone votes as he pleases in Parliament.

"For example, we cannot give up our demand that Swedish schools be firmly rooted in Christian ethics. Nor can we abandon our stand that we eventually want to see legislation that takes the side of the unborn child.

"This means that legislation on abortion must be changed so that it supports life instead of a general right to extinguish life. It means that women must be supported socially, economically, and from the standpoint of public opinion in a completely different way than at present," says the KDS leader.

"It is obvious that a legal abortion is preferable to an illegal one. In no way are we trying to go back to a situation in which there are a lot of illegal abortions. This is something that all parties will have to cooperate on, because when the abortion law was adopted, the simple argument was that women should have control over their own bodies.

"Those are problems that one cannot get away from, but they must be handled with extreme caution and humility."

Another inflexible demand by the KDS is that the redistribution policy give consideration to the situation of families with children, especially those families in which there is only one breadwinner, says Alf Svensson.

"The proposals by the Social Democrats and the Liberal Party make it impossible for a family with two children to get by on one income."

11798  
CSO: 3650/264

SWEDEN

POLITICAL

# ECONOMIC POLICY EXPECTED TO DOMINATE SUMMER CAMPAIGN STAGE

Helsinki HELSINGIN SANOMAT in Finnish 12 Jun 85 p 17

[Article by Vesa Santavuori: "Swedish Politicians Hit Summer Stump: Parties Angle for Voters with Their Economic Policy Promises"]

[Text] Stockholm--The spring session of Sweden's Parliament ended Tuesday in a sharp debate in which both the nonsocialist opposition and the ruling social democrats concentrated, openly and candidly, on fishing for votes as the September 1985 elections approach.

The most recent opinion polls indicate that one goes into the elections in a virtual state of balance, and the number of undecided voters is estimated in the hundreds of thousands.

The portion of Tuesday's donnybrook dealing with economic policy proved interesting. Each of the Parliament's five parties sought to demonstrate that it has the best methods for safeguarding the citizens' standard of living. Perhaps the boldest of the day's proposals was Center Party representative Nils G. Asling's promise to reduce the prices of food items without, however, encroaching on the advantages of farmers.

It now appears, about 3 months before the elections, that the campaign will once again be decided by who is best able to convince the more than 6 million voters of Welfare Sweden that the citizens' basic security will not be seriously affected. In Sweden, basic security means the preservation of social services unchanged, at the same time as the amount of money available to households does not decline, at least as expressed in kronor.

The social democrats in Sweden have traditionally been the most skilled in making such promises. In the final analysis, the nonsocialist parties lost the autumn 1982 elections precisely because they threatened to infringe on the health insurance benefits of citizens, according to a study done at Goteborg University.

So Center Party leader Thorbjorn Falldin, at least, has made it clear in the initial stages of this year's election campaign that health insurance benefits will not be substantially affected in any manner, "because the party's executive committee wants it that way."

In the propaganda of all the nonsocialist parties, attempts are made to picture the reigning social democrats as untrustworthy with respect to taxation, among other things. On Tuesday, the Moderate Coalition Party claimed to have learned, even before the elections, "how much the social democrats would increase taxes" after an election victory in the autumn of 1985.

No reply was forthcoming, of course. On the other hand, in accordance with their new tactics, the social democrats struck hardest specifically against the Coalition Party. The indictment reads that the Swedish Coalition Party is aiming at an ultraconservative and "Thatcherlike" change in the system which will reduce the taxes of the rich and lead to mass unemployment.

The tactical goal is to strike hard against the right flank of the Coalition Party so that the voters begin to fear the entire party. At the same time the Center Party is forgotten, and out of the "vacuum" produced the votes will be drawn in the direction of the safe social democrats.

The tactics are made more effective by stressing the proenvironmental nature of the social democrats. The fight against the extinction of woodland is even being fought in international arenas. And in honor of World Nature Day, Prime Minister Olof Palme remembered to go salmon fishing alongside the Parliament building in downtown Stockholm in order to show that Sweden's fishing waters have really started to become clean during his most recent term of office.

12327

CSO: 3617/127

POLITICAL

SWEDEN

BRIEFS

SCHORI ATTACKS U.S. ON NICARAGUA--The current U.S. policy in Central America is incompatible with peace efforts by the Latin Americans themselves. So said Pierre Schori, under secretary of state for foreign affairs, in Dals Langed, Dalsland Province, on Saturday. "The Contadora Group must be given an opportunity to complete its work for peace in a climate that is not characterized by East-West antagonisms and gunboat diplomacy. The situation in Central America is growing more and more explosive," said Pierre Schori. "Just over a month ago, the United States decided to adopt economic sanctions against Nicaragua. Now we are faced with the possibility that U.S. support for the Contras may soon be resumed. That is a development which fills the Swedish Government with deep concern." [Text] [Stockholm DAGENS NYHETER in Swedish 17 Jun 85 p 8]  
11798

CSO: 3650/264

MILITARY

FEDERAL REPUBLIC OF GERMANY

# AIR FORCE PROMOTING YOUTH INTEREST IN AVIATION SPORT

Munich SUEDEDEUTSCHE ZEITUNG in German 10 May 85 pp 1-2

[Article by Alexander Szandar: "Luftwaffe Courting Youngsters"]

[Text] Bonn, 9 May--With full knowledge of Defense Minister Manfred Woerner, a "Society of the Friends of the Luftwaffe" is planning to conduct 2-week "aviation sport camps" for 14 to 18 year-olds at various Luftwaffe bases. The first "field trial" in which 20 youngsters will receive a kind of "look-and-see training" is scheduled to take place between 17 and 30 June, most likely at the "Tornado" air base at Noer-venich. The goal of the program is "to do publicity among young people for aviation activities in the Luftwaffe and/or armed forces, in science, industry, commercial aviation and aviation sport."

An order issued on 6 May by the operations staff of the Luftwaffe to the air fleet command calls on the air wing to supply instructors, coaches, food and lodging as well as the necessary space including halls, school rooms and recreation areas free of charge "as part of the publicity effort" and to assign a "project officer" to the "society of friends." But this order was later revoked as a result of an objection by Navy Capt Ulrich Hundt, the head of the press and information staff of the department. Hundt also is responsible for public relations and publicity efforts among young people in the Bundeswehr.

Woerner recently took note of a memorandum prepared by Luftwaffe Chief of Staff Eberhard Eimler which advised him of the "friends'" desire to sponsor such an "aviation sport camp" on a trial basis at some air base. The proposal was of a civilian nature, Woerner was told; it was open to young people of both sexes. The Luftwaffe would merely act as host for the event. The order of 6 May, it was said in the defense ministry, "did not comply with regulations" which is why Hundt asked to have it rescinded.

The Society of Friends was founded last September as a non-profit organization. The statutes define its main goal as the desire "to promote understanding and an open-minded attitude toward the Luftwaffe and its mission among all segments of society and among young people in particular." The roughly 100 members of the society include a large number of Luftwaffe officers both retired and active as well as representatives of aviation industry interest groups.

The president of the Society of Friends, which Himmler is said to have assisted in establishing, is former Luftwaffe chief of staff, Maj Gen Gerhard Kerscher (ret). "It is very important," he wrote to the chief of the Luftwaffe, "that this project be provided with a broad base of support and be made viable with the help of a targeted publicity campaign so that any protest regarding pre-military training can be nipped in the bud." Nonetheless, the project does remind quite a few officers "of methods employed in the East or of the Hitler Youth Aviation Corps" as well as the recent unsuccessful attempt to establish "vacation camps" for high school students at Bundeswehr installations. A so-called "training advisory committee" of the Society argued that the project be pushed aggressively in case of "adverse publicity." "Flanking coverage by the friendly trade press should be arranged," the committee recommended.

The 14 to 18 age group was chosen, Kerscher wrote to Himmler, "so as to obtain permission from those responsible for their education as well as to be able to influence their choice of profession." These "aviation sport camps" should be held, he wrote, in conjunction with an operational unit of the Luftwaffe so as to provide a "Luftwaffe experience."

The "advisory committee" hopes that the "look-and-see training" will encourage the youngsters to continue pursuing the pilot training they started at the "camps" with civilian organizations and installations; "to pass on what they have learned about the Luftwaffe in an open-minded way" and "to opt for a position in military and/or civil aviation."

The master program to be presented by the host air wing is to provide a "hands on Luftwaffe experience" and to cover about 30 percent of the "duty roster." The remainder would be devoted to flights with gliders and light propeller aircraft as well as instruction in aviation theory by Luftwaffe personnel and civilian or military teachers. An internationally known glider manufacturer and the German Aero-Club will provide the necessary aircraft.

The original order was written by Col Hermann Hammerstein, who is responsible for technical military training in the Luftwaffe operations staff and also is a member of the "advisory committee." The telex message was approved by Maj Gen Fritz Schulz, the chief of staff—who will retire on 1 October.

The Luftwaffe discarded the "advisory committee's" idea of having youth officers take care of the "camp" participants as well as recruit them in the schools. It was held that this is not compatible with the mission of the youth officers which specifically rules out such recruiting activities. Present plans are to place advertisements in trade journals to promote interest in the project.

9478

CSO: 3620/372



MILITARY

FEDERAL REPUBLIC OF GERMANY

BUNDESWEHR CHIEF SEES NEED FOR WOMEN VOLUNTEERS

Munich SUEDEUTSCHE ZEITUNG in German 17 May 85 p 6

[Article by AP: "Bundeswehr Needs Women Soldiers"]

[Text] Bonn--The Bundeswehr can no longer get along without women soldiers. Speaking to journalists, Bundeswehr Chief of Staff Wolfgang Altenburg emphasized that there is a need for new legislation which will permit women to volunteer for service in the armed forces. There is no other way of preserving peacetime strength beyond 1995, the general said, adding "we simply cannot afford to reduce the size of the Bundeswehr."

According to Altenburg, personnel strength can be maintained through 1995 by prolonging military service by 3 months to a total of 18 months, by tightening call-up criteria, by drawing more on reservists and through the introduction of various other measures. But that will exhaust the reservoir of young men. Studies have shown that 15,000 women could perform voluntary service in the armed forces without touching on the provisions of the Basic Law which do not specifically prohibit women from bearing arms.

Altenburg said he could understand that the government was not giving priority attention to the emotionally charged "women in the Bundeswehr" issue. "There is nothing that says that a government has to make all the negative decisions at once--at a time when it is not opportune to do so," Altenburg said. In rejecting the idea of cutting down on the number of soldiers doing active service, Altenburg said that this would be sending a signal to the allies to reduce the number of their soldiers stationed in the FRG as well.

In the absence of the program he announced, the number of physically fit draftees would decline to 166,000 men annually by 1995 because of the low birth rate in age groups then reaching draft age. By lengthening the term of service and increasing call-ups, their number could be increased to 235,000 each year. But that is just enough, Altenburg said, to maintain peacetime strength of 456,000 men on active duty. The planned increase to 15,000 of the number of military training slots and better utilization of standby readiness personnel provides an additional 39,000 men.

9478  
CSO: 3620/372

MILITARY

FEDERAL REPUBLIC OF GERMANY

NUMBER OF ANNUAL RESERVE TRAINING SLOTS TO BE INCREASED

Bonn BUNDESWEHR AKTUELL in German 2 May 85 p 1

[Unattributed article: "More Reservists"]

[Text] Bonn--According to Defense Minister Manfred Woerner (CDU), the importance of the Bundeswehr reservists will increase appreciably in the years to come because of the declining number of draftees. Speaking at a ceremony commemorating the 25th anniversary of the foundation of the Bundeswehr Reserve Association, the minister said in Bonn last Friday that 15,000 military training slots would have to be provided each year starting in the nineties (where each such slot could be used to train an average of 30 reservists) so as to guarantee Bundeswehr operational readiness in terms of personnel as well as the training of reservists.

Over the past few years, Woerner said, the number of trainees has been increased to more than 80,000 annually. Without reservists, he added, the FRG cannot be defended and the German contribution to the NATO alliance cannot be made. More than 800,000 reservists are needed in order to raise Bundeswehr strength to 1.3 million men in case of a defense emergency.

The Reserve Association, numbering just under 100,000 members, scheduled more than 25,000 events for almost 1 million participants last year.

9478  
CSO: 3620/372

MILITARY

GREECE

# ARMS SALES TO LIBYA, SYRIA AROUSE SUSPICION

Athens ENA in Greek 23 May 85 p 13

[Text] During the past 6 months, the West German government has brought to the attention of various NATO committees decisions by Athens on matters involving the defense of the alliance as being "unacceptable," as it characterizes them. Often it uses as an example the permission granted by the Greek ministry of Foreign Affairs to a number of Soviet advisers to work in Greece, the sale of Western military materiel to Libya and Syria, the facilitating of the transit of military materiel from Bulgaria to Iraq, the overflight of Greek airspace by Soviet aircraft without clearance from the control tower at Ellinikon, etc.

The real reason, however, that has irritated the German government is the sale of military materiel to Qadhafi, materiel that is characterized as secret and ... sensitive. It involves the "Artemis" anti-aircraft system.

During the visit the Greek premier made to Libya in 1984 there was signed, in addition to the economic agreement, a second one involving the sale of military materiel to Libya by Greece. The terms of the first agreement became more or less known. Absolute secrecy was kept about the second one. However, from leaks, as well as from certain visits of Libyan officials to Athens, it was more or less learned what the agreement was. It involves the sale to Libya of a number of anti-aircraft defense systems of the "Artemis" type, the repairs and maintenance of 12 "Hercules C-130" type aircraft, which are transports at the Greek Aircraft Industry [EAV] and the training of some Libyan non-commissioned officers in repair work on the aircraft, the building of a small number of fast vessels and, finally, the sale of a large number of anti-tank projectiles of the TOW type as well as a number of APDS handgrenades.

With the exception of the anti-tank projectiles, a unanimous consent of NATO is needed for all of this materiel. More specifically, however, the APDS hand-grenade contains a component which has an Israeli patent and its export to Libya could mean the withdrawal of the license to manufacture it in Greece.

However, what really irritated Bonn is the sale of the "Artemis" system, which is wholly based on German technology. The Germans theorize that the order involving the purchase of the system comes directly from Moscow. It is known that for the past 3 years, Soviet specialists have been trying to acquire a complete system for the purpose of laying their hands on the most interesting part. It involves the SIEMENS electronic locator and aiming system, which is

considered extremely advanced. What interests Department "T" of the Soviet Intelligence Service, the KGB, which spies on Western technology, is the radar.

The West Germans now say that the radar will actually be delivered into their hands with the decision by the Greek government to sell the materiel involved to Libya. This has recently led Bonn to ask NATO not to send anymore sensitive information, as well as materiel of advanced technology, to Athens. On the other hand, there were questions raised on this subject regarding the sale of American aircraft to Greece and it is taken for granted that a General Dynamics delegation that came to Athens a week ago touched on this subject.

The West Germans, though, also reacted in a political way. The West German chairman of the "Defense Committee" of the German Bundestag, Alfred Bile, who met with the Greek deputy minister of Defense, Pavsanias Zakolikos, let it be understood that Bonn is worried and would like to have guarantees that in the future Greece will not export Western military materiel to countries that are under Soviet influence (it also involves Syria, which recently purchased from "Stayer-Hellas" armored personnel carriers and also asked for "Artemis"). At the same time, the German delegation pointed out to the Greek government that the policy it follows could cost it the reduction, if not the suspension, of the German military assistance that is yearly granted to us.

The reply of the Greek deputy minister did not create a better climate for the relations between the two countries. It is reported that the Greek deputy minister replied that "Greece will not move to provide Western technology to the USSR." The question is if this answer also cover the Arab countries under Moscow's influence.

The government's policy of exports of military materiel has created a series of problems in the past few years. "It is considered indispensable," a high official emphasizes, "because it brings in quite a bit of foreign exchange, which we need." On the other hand, however, it undermines our relations with the countries that we absolutely need for the procurement of military materiel, which is indispensable during the critical stages that our relations with Turkey are going through. Perhaps an effort should be made to open up new markets that will not provoke the anger of our friends and allies.

9731

CSO: 3521/261

MILITARY

GREECE

# MILITARY SERVICE DECREASED, NEW REGULATIONS SET

Athens TO VIMA in Greek 9 May 85 p.1

[Text] Beginning on 1 September 1985, military service will be reduced by 1 month with a basic, middle-range aim at its gradual reduction to 18 months. This was ordered yesterday under a resolution of Premier and National Defense Minister Andreas Papandreou.

At the same time, those young men, who have deferments (university students, graduate students, etc.), will now have the possibility, by their own choice, of beginning and ending their 2-month basic training and immediately afterwards use their deferment and return to their classes.

In other words, the young men who have deferments will be able to interrupt their deferment for a 2-month period, during the summer months, to complete their basic training and then continue their deferment. With this measure, more than 150,000 young men, who today have, for various reasons, a deferred enlistment, will benefit, according to data of the Ministry of Defense.

The training of the young men will take place in two sessions during the 4-month period from 1 June to 30 September, at five model training centers located on four islands of the Aegean and at Alexandroupolis. Military Academy cadets will be part of the training personnel.

According to reports received by TO VIMA, the subject of draft-dodgers will be reexamined and announcements about it will be made soon. Although the announcement about the reduction in the length of military service does not mention anything about the students studying abroad (who have deferment), it is considered very possible that this beneficial measure will be extended to cover them as well and most probably to include the children of Greek emigrants in Western European countries.

In essence, the young men involved in yesterday's announcement will be able to fulfill their military obligation in installments, in view of the fact that, according to the premier's resolution, they will be able to be trained in their specialties 2 more months at other training centers. Those young men who will avail themselves of this provision will fulfill their military obligation in stages. "It is obvious," the announcement states that this new measure, "will be automatically adjusted each time to the reduction of service performed."

The military service reduction measure came about, as reported in the announcement, after the new situation was created by the 5-year enlistment of the 5,000 men. With the inauguration of the volunteer service (their enlistment is expected to be completed during the next 2 months), the premises for the reduction of service are created both at present and for the future.

9731

CSO: 3521/255

MILITARY

NORWAY

# AIR FORCE PILOT DRAIN COULD HAVE SERIOUS CONSEQUENCES IN CRISIS

Oslo AFTENPOSTEN in Norwegian 11 Jun 85 p 2

[Editorial: "Pilot Flight"]

[Text] The acute shortage of fighter pilots in our air force is a threat to our defense policy credibility as well as to our actual defense capability. If the pilots who can quit seize the opportunity the air force will again have 45 pilots capable of flying our 69 F-16 planes this year. In short we have a modern fleet of planes but we are not able to get them in the air in a critical situation. This is a fact we cannot accept. When we are unable to man more than two-thirds of our jet fighters it is high time something was done about the situation.

In the short run it is a question of reducing pilot flight to civilian airlines. But in the long run this involves problems that cannot be solved by extending the obligatory service period for fighter pilots or by making it hard for them to freely choose their profession as soon as they have carried out their obligations. A great deal can be done to improve conditions for pilots. But it is equally clear that the armed forces cannot fully compete with civilian airline companies when it comes to wages.

The costs for a company like SAS are put together in such a way that it does not really matter what company pilots are paid. But for a long time the private companies have been skimming the cream off the enormous public investments in pilot training. There is every reason to pursue the idea of an inter-Scandinavian cooperative effort in establishing a civilian pilot training course.

It is equally clear that today we have a great many civilian pilots with a solid training in flying fighter planes who might well want to make an extra effort in the air force. We are glad that Defense Minister Anders C. Sjaastad gave his support in Storting a few days ago to the proposal to "give experienced fighter pilots who have mobilization commitments a chance to fly for several weeks once a year."

That would enable them to maintain their skills and their combat readiness, as Conservative Ole F. Klemsdal pointed out. "Defectors" to the civilian

airline companies represent a resource that the air force has been unable or unwilling to draw on. It is clear that there are limits to how long a person is qualified to fly our complicated F-16 planes. And there are limits to how much one can call on the people the air force likes to call the bus drivers in SAS.

But this has not prevented the American Air Force from gaining solid experiences with utilizing the resources represented by these pilots. The investment that goes into every single new fighter pilot is too big for us to be able to lose them as soon as they finish their tour of duty and move on to civilian aviation.

6578

CSO: 3639/121



MILITARY

PORTUGAL

BRIEFS

ARMY, NAVY PROMOTIONS ANNOUNCED--The commanding general of the PSP, [Public Security Police] brigadier Almeida Bruno, the director of the Cavalry service, brigadier Carlos Azeredo, the director of the Military College, Francisco Valente, and the director of Cadet Training, brigadier Costa Estorninho, were promoted today to the rank of general. Promoted to the rank of brigadier were colonels Pedroso de Lima, Simoes de Faria, Cruz Curado, Martins Marquilhas, Carvalho e Silva, Villas Boas e Costa, Cerqueira Rocha, Lajes Ribeiro, and Goncalves Ribeiro, who was Minister of Internal Administration in the Nobre da Costa and Mota Pinto governments, and director-general of the IARN. [Institute of Assistance for Returnees]. In the Navy, promotions to the rank of rear-admiral were announced for captains Ribeiro da Silva, Soares Ribeiro, and Serra Rodeia. [Text]  
[Lisbon DIAIRO DE LISBOA in Portuguese 15 May 85 p 6] 12430

CSO: 3542/180

MILITARY

SWEDEN

# WIDESPREAD DISILLUSIONMENT FOUND AMONG CONSCRIPTS

Stockholm SVENSKA DAGBLADET in Swedish 3 Jun 85 p 6

[Article by Emily von Sydow]

[Text] Karlstad--By the time they leave the service half of the regular conscripts are unwilling to stand up and actively defend their country in the event it is attacked. When soldiers first enter the service their mobilization resolve is greater than it is when they have completed their period of compulsory military service.

These figures, which must be discouraging news for the conscription board and the armed forces, are presented in a prospective doctoral thesis in political science by Lennart Jung. The thesis will be included in the Conscript Training Committee's report.

Lennart Jung, who is course leader at the defense Gallofsta training center in Kungsangen, west of Stockholm, is a military man himself and, as he says, "partial to defense."

In all 5000 of the conscripts who were called up in 1983 were asked to fill out a questionnaire when they were first called up, when they reported for duty, halfway through their period of service and when they were discharged. The thesis deals with changes in defense attitudes from induction to discharge.

"Many fall by the wayside during training. They are probably not the ones who had the greatest defense resolve, but those on the other end of the scale," said Jung.

All conscripts in the following regiments took part in the study: I1 in Kungsangen, I11 in Vaxjo, I22 in Kiruna, P4 in Skovde, P18 in Gotland, A4 in Ostersund, A9 in Kristinehamn, F4 in Ostersund and F17 in Ronneby.

Confidence in defense capability also declined during training. A third of the regular conscripts thought Sweden had a very good or fairly good chance of defending itself if we were involved in a war when they were called up. After training, only a quarter of them felt this way.

It is not surprising that defense resolve is higher among those trained as officers than it is among privates. In general the privates are less willing to mobilize and have less confidence in defense and their own ability to defend the country.

"The privates are forgotten. It is easier to motivate those trained as officers who will have to take charge," Jung explained.

Among conscripts selected for company or platoon leadership training, confidence in defense is relatively great from the beginning and it goes up when they are discharged. Some 42 percent said when they were called up that Sweden has a very large or fairly large chance to defend itself. And 51 percent had faith in defense capability after they received their training.

Jung said that one way to make the privates more positive about defense would be to give them more input.

#### Defense Information Lacking

Defense information--in other words security policy information that could motivate our servicemen--must also be expanded during the service period. In the questionnaire many replied that they had not received any theoretical instruction of this kind.

"This may not be correct, but they should not forget the defense information they do receive," said Jung. "Career officers should initiate discussions with conscripts."

The next to the last question on the form went like this: "Assume that Sweden is attacked. All conscripts are ordered by radio to report to their mobilization locations. Do you think they should do so even if the outcome seems uncertain for us?"

When they were called up, 83 percent answered the question affirmatively. When they were discharged the figure had fallen to 70 percent.

In its annual opinion poll the Preparedness Board for Psychological Defense asks a representative selection of citizens between the ages of 18 and 70 the same question. Around 95 percent of the men and 85 percent of the women usually answer the question in the affirmative. The difference between the conscripts' answers and mobilization resolve is due to the fact that defense resolve increases with age, according to the Preparedness Board's studies.

#### Willing to Report for Duty

"I had no expectations when I came in and feel no motivation now, but if things blew up, of course I would report for duty," said Stefan Karlsson, who is now ending his service period as a sergeant after 7.5 months of active service as a conscript.

Crawling and sliding through mud puddles and waiting on a cold ridge at night for a cup of coffee have not strengthened Karlsson's defense resolve but his superior officer, who supervises cycle overhaul, said that "defense resolve has improved all the way down the line." Attitudes toward defense are more positive today among noncommissioned officers, privates and career soldiers, he said.

#### Good Training

At one of the entrances to the I2 Varmland regiment, Bertil Pettersson was relieving Anders Andersson who had completed his 2-hour spell of guard duty. The training was good and it was fun to take part in the armed forces maneuvers last winter, Andersson said:

"For instance we found out what to do if someone jumped at us waving a knife. We are supposed to shoot, but to use as little force as possible. One knows so little about the structure of the armed forces and one doesn't think much about it either. It is just a matter of getting through the 7.5 months," Andersson said.

The reason for Andersson's and Karlsson's lack of confidence in the armed forces is precisely that lack of overall insight, according to the chief of the conscription board, Major General Ingvar Rittsel.

#### Reinforcements

"The average rifle company sees only its own small company and does not realize that there are reinforcements all around," said Rittsel.

He had four prescriptions that would radically improve compulsory military service and increase defense resolve. The first is bigger exercises. The second is better officers, which means officers who have the ability to bring exercises alive. It is especially the generation of company and platoon leaders who were trained 25 years ago that has lagged behind, in his opinion. The third is better defense information and the fourth is more exercises using live ammunition. "It is more fun when things are going off," the major general explained.

#### Enormous Bags

Some men on refresher training came along, hauling enormous bags across the barracks yard. They are staff welfare assistants, or PVA's as they are known in military jargon, and have just moved in. The bags contain enough equipment to mount an expedition. Since they will only be out in the field overnight, they felt it was somewhat superfluous.

"Even if one feels positively about the armed forces when one starts out, one becomes more negative during training. One sees so much inefficiency," said Stefan Lindeborg from Stockholm, who served his tour of duty in Boden.

## Peer Pressure

Mikael Johansson from Ostersund also served in Boden. He thinks peer pressure is the main reason why people think basic training is the worst thing they have ever gone through.

"The pendulum has swung. There has been a steady improvement in defense resolve since the end of the 1970's," according to regimental chief Colonel Ulf Ling-Vannerus.

The regimental leader takes the figures from the study seriously but he finds them hard to believe. They do not match his own observations and he claimed that a similar study of the Varmland regiment would produce a much brighter picture.

He was backed up by deputy battalion leader Bo Sjostedt who is in charge of training the conscripts.

## Higher Morale

"Morale is generally higher now than it was 10 years ago," he said. "The main thing we are short of in training is time and if one must choose, combat comes first. This means that things like defense information may be left out."

Krister Persson, Stefan Gournambassis, Bo Lundberg and Bengt Fransson are undergoing 15 months of compulsory military service in officer training school. They belong to the elite of the conscripts and their defense resolve is good. They believe their comrades in the ranks would also report for duty if necessary:

"In Sweden it is all so remote. We don't believe there will be a war," said Gournambassis, who chose officer training school because it will increase his chances of getting into the medical profession.

6578

CSO: 3650/262

MILITARY

SWEDEN

BRIEFS

BOFORS HALTING ROBOT-70 PRODUCTION--As DAGENS NYHETER reported earlier, Bofors is halting all production of the Robot-70 missile, which was intended for export, until further notice. The final decision was reached at a board meeting on Thursday. The board meeting at the Bofors Corporation was the first to be held under the new form of organization. The Bofors Corporation was formerly known as the Defense Materiel Division. The decision means that 150 employees involved in missile production will be transferred within the company. The reason for halting production is that the number of orders has been lower than expected. [By Jan Malmberg] [Text] [Stockholm DAGENS NYHETER in Swedish 15 Jun 85 p 8] 11798

CSO: 3650/264

ECONOMIC

EUROPEAN AFFAIRS

ECU GAINING ACCEPTANCE; FRG, UK STILL SKEPTICAL

Ecu's International Acceptance Grows

Duesseldorf WIRTSCHAFTSWOCHE in German 10 May 85 pp 44-58

[Article: "Ecu: A Pretty Label"]

[Text] Ecu euphoria: For the first time the Soviets incur debts in Europe's artificial currency, Chicago begins trading in Ecu futures and former Chancellor Schmidt now wants to revive his pet project with a 15-point plan. The German Bundesbank on the other hand expresses reservations.

No coins or bills exist in this currency and yet Belgian dentists pay for their meals with it and London businessmen use it to pay for supplies of everything from raw materials to hot-air balloons.

Large Italian companies like Fiat or French multinationals like Saint-Gobain settle intracompany accounts with it, and soon Europeans will be able to present traveler's checks issued in this phantom currency at hotels, restaurants and department stores.

This phantom, which adds no weight to the pocketbook and at the same time is worth billions, is the Ecu, the European Currency Unit, which is the accounting unit of the European Monetary System (EMS) created more than six years ago. This is the system of exchange rates which Jacques Delors, the former French minister of finance and current president of the European Commission in Brussels, celebrated as "the only substantial innovation in the past ten years" in Europe.

In view of the dangerous fluctuations in the rate of the dollar and encouraged by the increasing popularity of the Ecu in international monetary traffic, Delors, during the next four years of his term of office, wants to lay some groundwork: As two important pillars of the anticipated domestic European market of 320 million EC Europeans by 1992, the EMS and Ecu are supposed to finally make the European economic club immune to the feverish exchange rate activity of the dollar.

Table 1. Ecu Breakdown in EC Currencies

One Ecu contains:

In percent:

0.719 German marks	32%
1.310 French francs	19%
0.088 British pounds	15%
140.0 Italian lira	10.2%
0.256 Dutch guilders	10.1%
3.710 Belgian francs	8.2%
0.219 Danish kroner	2.7%
1.150 Greek drachmas	1.3%
0.009 Irish pounds	1.2%
0.140 Luxembourg francs	0.3%

Exchange rate based on: 1 Ecu = DM 2.23

To the French this does not appear to be an overly ambitious goal. According to the French newspaper LA TRIBUNE, "The rise of the Ecu is fabulous." And shortly before Easter the president of the European Parliament, Pierre Pflimlin of France, reflected the feelings of his fellow countrymen by suggesting, "Let's make the Ecu the European currency."

If you believe French commentators, there is only one thing standing in the way of this exalted goal: "The no of Monsieur Mark" (LE MATIN), e.g. of the president of the German Bundesbank, Karl Otto Poehl, who "like the wicked stepmother in the fairy tale," says LA TRIBUNE, favors its own child, the German mark, over the Ecu, the unwanted child.

This black characterization of the lively Bundesbank president is the Gallic reaction to Poehl's assessment, described with culinary embellishments, of the new European artificial currency. "The Ecu," he informed French journalists, "is a label, but not even the prettiest label on a wine bottle can improve its contents."

The heat of emotion on one side and cool rebukes on the other--not exactly commonplace in monetary matters--are the results of a debate among Europeans concerning the correct path toward a common currency. There is no disagreement, however, that the EMS is to be the embryonic stage of a possible Euro-franc or Euro-mark.

Former chancellor Helmut Schmidt and French president Valery Giscard d'Estaing conceived the EMS at the end of the 1970's as a protective alliance against the dollar, whose decreased value caused the U.S. market to become ever more difficult territory for Europeans. The Germans and French convinced the majority of their partners within the then nine-member EC to place their currencies in a currency union.

The characteristic feature of this union: German marks, French francs, Belgian francs, Dutch guilders, Irish pounds, and Danish kroner were all no longer allowed to float freely on the foreign exchanges. They were to be



allowed to fluctuate up or down in value by only 2.25 percent. Only the Italian lira had a little more breathing space within this union's corset. It was allowed to fluctuate up or down by six percent.

Schmidt so unabashedly proclaimed this system as a basis for a "zone of stability in Europe" that monetary experts, particularly at the German Bundesbank, became uneasy. It was obvious that the optimism of the social democratic chancellor in Bonn was based on a promise made repeatedly, but never fulfilled, by France's Giscard d'Estaing--reduction of France's high, double-digit rate of inflation to the much lower level of that of Germany.

The Bundesbank did not believe that the DM 62.75 billion, which the founders of the EMS were prepared to make available to support the weak currencies in the system, would offer effective protection. Poehl's predecessor, Otmar Emminger, remarked reticently: "The decline in the rate of price increases which still exists among the EC countries and the uneven development of the balance of payments will probably mean that for some time we cannot fail to adapt to highly divergent basic conditions."

Put clearly, even the currency union cannot guard poorly managed economies against the consequences of devaluations. Seven times between 1979 and 1983 the "zone of stability" announced by Schmidt fell victim to currency upheaval which has already led opponents to hope privately for its demise. Seven times the EMS members changed their parity values and when it was all over the foreign exchange market had rendered a decision as to what constituted the upper and lower houses of the currency club--in good standing were the mark and the Dutch guilder while the others were rated second class.

Although defenders of the EMS, like former EC economics inspector Francois-Xavier Ortoli of France, define the ever more rapid sequence of raising and lowering exchange rates as a "valve effect," in the long run the union would have made little sense in the face of continuing currency upheaval.

But then the system got a boost from a political event, the effects of which extended far beyond the currency arena. In the spring of 1981 the French elected Francois Mitterrand and his socialist followers to the government--and they, in contrast to the other EC partners, wanted to increase demand. The foreign exchanges reacted promptly to this program and the capital controls introduced along with it--the French franc fell, and three times within one and a half years, then Finance Minister Delors had to ask his EMS colleagues for permission to devalue the franc.

The third time was a traumatic Waterloo for the French. In Brussels Karl Otto Poehl and Bonn's minister of finance, Gerhard Stoltenberg, made a stipulation that France's socialists either also follow a policy of European stabilization or leave the union.

Delors agreed and in Paris President Mitterrand turned his economic policy around by 180 degrees--the EMS proved to be disciplinary tool. The effect of the Brussels statement was so great that Delors declared fighting inflation his own top priority at home--with success. By the middle of last year, as he

was leaving the Paris government in preparation for his new position as head of the European agency in Brussels, he had turned around France's notorious inflation mentality. The inflation rate in France had fallen below 10 percent.

While calm returned to the EMS--speculation was centered on the climb of the dollar and high U.S. interest rates--it became apparent that as a by-product the EMS had at the same time produced a successful phenomenon which became an additional anchor for the union: The Ecu had been transformed into a sought-after instrument of payment.

According to the will of the founding fathers of the EMS, the Ecu, which bears the same name as a gold coin introduced by 13th century French king, Louis the Holy, was intended initially to be of significance only to bookkeepers. It was conceived as an accounting unit by which debts and claims incurred by banks making support purchases in favor of weaker currencies could be paid. Half of these debts, payable within 45 or, at the latest, 75 days, were to be paid off in Ecu's.

This Ecu was and is determined by weighting the currencies of the various EMS members, as well as that of the British pound--whereby the Central Bank of London, as a non-member of the EMS, does not engage in exchange intervention. The mark was brought into the Ecu in 1979 at 33 percent, while the French franc at that time was weighted at 19.8 percent.

The new accounting unit was seen as a "collective currency"--and as such private investors soon recognized its attractiveness. In this collection of currencies, value fluctuations offset each other in part and the Ecu in effect remains more stable than the individual currencies.

In times of hectic fluctuations in the dollar and weaknesses in the British pound such neutrality in terms of exchange rates provided a reminder of Bretton Woods, the fixed exchange rate agreement which collapsed in the early 1970's after nearly 30 years of stability. Wherever currency value has fallen faster than interest rates have climbed--such as Italy, France and Belgium, which was nearly a bankrupt nation at the beginning of the 1980's--the Ecu must look like a safe haven for the funds of large companies and small investors alike. The private Ecu, the illegitimate sister of the offsetting figures use by the national banks, was born.

Daniel Lebegue, director of the French treasury, poetically describes this currency as "a child of the EMS who grew up on the streets alone. It has the charm of freedom but also has its risks."

When in 1981 Italian companies for the first time issued loans in Ecu's, it was chiefly to eliminate risks. In one year loans totaling 202.1 million Ecu's were issued. Since then, 140 Ecu loans have been issued in 18 countries at a total value of about seven billion dollars. Three years ago Ecu loans were rare on the European market; in 1984 the Ecu was in fourth place behind the U.S. dollar, the mark and the pound sterling. This was "more than a success, a plebiscite," rejoiced the Paris-based FIGARO.

In fact, remarks Axel Kollar, member of the board of the West German Landesbank, hopes for the Ecu have "up to now been exceeded rather than dashed."

According to investigations by capital market specialists for the BfG (Bank fuer Gemeinwirtschaft = Bank for Social Economy), the growing Ecu market is concentrated primarily in the countries of France, Italy, Great Britain, Belgium and Luxembourg--and above all in banks. But private individuals are also already counting in Ecu's--in Belgium and Luxembourg Ecu checking and savings accounts are permitted, as are Ecu credit accounts and Eurocheques in Ecu's. Traveler's checks issued in Ecu's are even planned for the middle of this year.

France in particular is pressing for use of the Ecu. Its exporters are permitted to cover exchange rates uncertainties by using the Ecu for forward transactions. This classical land of foreign currency controls is to be congratulated in particular for the fact that since the beginning of the year holders of savings accounts are no longer subject to foreign currency controls in obtaining Ecu loans. The French are also employing the Ecu as a weapon against the unpopular dollar. In the future France will pay the bills from its natural gas suppliers in Holland--still 10 billion francs a year--in Ecu's, something which Italy and Kuwait had also already agreed to.

It is no wonder that over 200 European banks are now engaged in handling Ecu transactions, establishing credit balances in Ecu's on the money and capital markets and extending them as credit. The business is so good that banks in Belgium, Luxembourg and France have requested that the BIZ (Bank for International Settlements) of Basel take over the task of acting as the clearing house for the increasing number of Ecu transactions.

It is no surprise that the once "phantom" currency is already recognized in many places as a full-valued currency like the mark or franc. The foreign currency exchanges in Paris, Brussels, Rome and Milan officially list the Ecu, and in Canada and Japan its value is also noted. Former Chancellor Schmidt has recently introduced a 15-point plan to strengthen the Ecu.

In the FRG, as the Bundesbank has ascertained, the demand for Ecu loans has been limited. Except for the purchase of Ecu bonds, the Bundesbank refuses to accept private use of the Ecu. The argument from Frankfurt is that the Ecu is not a currency, since it is neither legal tender nor is it listed by a central bank.

In addition, the nominal principle, which is firmly embedded in the currency law, prevents unlimited use of the Ecu. FRG citizens can apply for loans, e.g. accounts receivable, but may not open accounts payable. Because the nominal principle holds that "a mark equals a mark," the value of the FRG currency may not be coupled with the development of another currency, in this case an artificial currency, the Ecu.

As the guardian of the stability of the mark, the Bundesbank sees the Ecu as furthering inflation. More importantly, however, according to Bundesbank President Poehl, "An artificial product does not become a currency just by declaring it to be one or equating it with a foreign currency."

In contrast to Delors, the Germans see the increasing use of the Ecu not as the first stage in European currency integration but rather as proof of how poorly the individual national economies are functioning. In other words, if the Italian and French economies were producing decent results, no one would even consider turning from the lira or the franc to the Ecu.

In the view of the Bundesbank in Frankfurt, monetary associations are established by nations which produce comparable results. And thus, according to Poehl, those who urge the creation soon of a central European bank are "putting the cart before the horse." Money is the central issue for a financial institution. And in this regard "Europe is not yet ready."

Not yet. But it is closer than it was a few years ago. Economic convergence among the EC countries, promoted by the Germans in particular, has "increased in substance and credibility," at least according to the observations of the European Commission in Brussels.

Thus, the statisticians in Brussels expect a difference of about five percentage points this year in the inflation rates between Italy, the country with the highest rate in the EC, and Germany, the country with the lowest. In 1983 the difference in inflation rates of the two countries was twice that high.

According to estimates by the Brussels commission, France will have reduced its balance of payments deficit by the end of the year to 0.7 percent of the GNP. This is about half of the deficit which the French recorded two years ago.

In view of these positive signs, the Germans also wanted to make a gesture toward the EMS. In mid-April in Palermo, Sicily, the FRG agreed to a strengthening of the official Ecu. According to this agreement, the member nations can now make constant exchange rate adjustments on the foreign exchange market using the Ecu. Interest for the "official Ecu" is also in future to be in line with market activities. And, finally, the central banks of non-EC nations may also use the Ecu as a reserve currency.

And that should be an end to the matter if the money guardians in Frankfurt have their way. As the board of the Bundesbank puts it to the enthusiastic Romance nations, too many restrictions and exceptions in the monetary field serve in reality to adulterate effective activities within the currency union --and thus also with the Ecu. The bankers in Frankfurt are only willing to discuss expansion of the EMS after a number of conditions are met by the other partners:

- o Italy, France and Ireland must lift their controls on capital transactions
- o Italy must structure its economy in such a way that the currency union no longer has to have a six percent margin of fluctuation. Like the other

currencies, the lira will be able to fluctuate up or down by a maximum of 2.25 percent.

In reality, there is no doubt within expert circles that such demands are justified. However, in view of the erratic fluctuations in the dollar and the still considerable structural differences among the various European economies, the creation of a European currency system will not be able to wait until economic convergence is an accomplished fact. Until that happens the expanding trade among the 12 members needs a currency-like quantity which will smooth out the extreme fluctuations produced by the various national economies.

Whether Europe's destiny is just general similarity in terms of its economic data--as the Bundesbank demands--or, as Jacques Rueff, the former financial advisor to the French president, once remarked, "just money," will for the time being remain a debate among theoreticians. Without economic and monetary progress there will be no real domestic European market, and without that, European industry cannot win out over the competition in Japan and the United States.

The decline in the dollar already indicates that the two-year rest period at the European currency union is coming to a close. If the hectic dollar takes some of the pressure off the mark as the traditional European "currency of refuge," the market can expect the value of the mark and the Dutch guilder to go up slightly in the EMS at the end of this year.

That would mean business as usual. Ambitions for the EMS to enter into a three-pronged currency system with the dollar and the yen, such as has already been formulated by the French prime minister, Laurent Fabius, will have to remain illusory. For one thing, Great Britain, at one time the world's banker has refused to recognize the EMS. If Great Britain were to join the EMS, it would "give European monetary integration a huge boost," according to the BfG. The time is right for it. Following the rapid rise in the dollar many international investors are turning away from the U.S. currency. Due to the policy of stability enforced by the British government, the pound itself has again taken hold. According to the currency experts of the BfG, the inclusion of another hard currency would be an advantage for the mark because it could share its role as the key currency with the pound.

But for Karl Otto Poehl, London's refusal up to now to join the EMS is a "vote of no confidence."

#### Bundesbank States Position

Duesseldorf WIRTSCHAFTSWOCHE in German 10 May 85 p 55

[Article: "Clear Position of Bundesbank"]

[Text] Things used to look different. Although Jacques Delors, as finance minister in Paris, was nervously concerned about keeping French controls on capital transactions as intact as possible, as EC president in Brussels he has now

pledged himself to a more liberalized European currency. In his view the Ecu should become a general instrument of payment for Europeans as soon as possible.

The former French finance minister also finds his new position particularly enjoyable because in Paris he was always considered anti-European because of the controls on capital transactions. From Brussels he is now pointing the same finger at the Germans, maintaining that the Bundesbank is undermining further development of the EMS and is not permitting the Ecu to achieve full maturity as an international currency.

The politicians in Brussels can make such accusations and vociferously demand a common currency all they want. This hardly bothers the Bundesbank and certainly does not affect its policies. Karl Otto Poehl, the bank's president, and Leonhard Gleske, a member of its board of governors, have clearly defined the bank's position:

There is no financial institution behind the Ecu which would be responsible for providing it a stable value. Its value is derived only from the widely varying levels of stability and quality of the other currencies involved. Therefore it is not feasible to simply issue Ecu bills and coins and then recognize them as instruments of payment.

Nevertheless, the Bundesbank handles the Ecu far more liberally than is the case in other European countries. In those countries where the Ecu is treated as a foreign currency, it is subject to the applicable foreign currency limitations. Its use is therefore limited to a much greater extent than is the case in the FRG where up to now only the opening of accounts payable in Ecu has not been permitted. On the other hand, accounts receivable and loans can be acquired in Ecu's without restriction.

De facto liberalization is actually less extensive in Europe today than it was at the beginning of the 1960's. France and Italy above all continue to believe that they cannot forego far-reaching limitations on capital transactions. Liberalization and completion of a system of exchange rates are of far greater significance for the further development of the EMS than is increased use of the Ecu in the official and private sectors. The official central bank Ecu's are neither convertible nor is interest paid on them in keeping with market conditions. Therefore, their importance has even declined. No European central bank voluntarily holds large sums of Ecu's in reserve. Instead they have larger DM reserves.

But even with interest payments in keeping with market conditions--a prerequisite for offering the Ecu as tender to other banks as a reserve currency--there will scarcely be great demand because the Ecu is only of limited value.

Moreover, there is no European central bank to back it up. It is still completely unclear what degree of autonomy, what objectives and what position with respect to national governments this institution should have. In any case the transfer of central banking functions and the eventual transfer of currency reserves to a supranational institution--here the FRG government and

the Bundesbank agree--would require a revision of EEC agreements or ratification of a treaty.

The creation of such a collective institution would have far-reaching consequences for monetary policy and in terms of the monetary structure in the member countries. Within the scope of a broadly based concept of integration this may be politically very desirable, but the implications of such a political decision should be well considered. In any case the Ecu cannot be the basis for such a development, and it should also not be used as a pretext for implementing such objectives in political discussions on currency integration.

#### Delors Urges Ecu Recognition

Duesseldorf WIRTSCHAFTSWOCHE in German 10 May 85 pp 58-60

[Interview with Jacques Delors, president of the EC: "These Questions Are Too Delicate"; date and place not specified]

[Text] Jacques Delors, EC president, in a conversation with WIRTSCHAFTSWOCHE requests that the central banks show more enthusiasm for the Ecu.

[Question] Mr President, is the idea of a domestic European market within a community of 12 such different nations an illusion?

[Answer] The idea of a domestic European market is based on three unnecessary [as published] requirements--on the one hand, the free flow of people, goods, services and capital. At the same time, all bureaucratic and other unnecessary obstacles must be removed. On the other hand, all the countries must pass laws regulating trade and, thus, competition. In this area, it must be conceded that some EC nations are not as advanced as others. The Federal Cartel Office is the most famous facility of its kind in the world for good reason.

[Question] But in Europe the commission watches over compliance with regulations on competition.

[Answer] That brings me to the point which is the third requirement for a joint domestic market: We must create a framework which will facilitate cooperation among European companies and lead to more joint ventures among them. There is still much to do in this regard. But if the countries which still have economic problems are also to profit from opportunities available on the large European market, we cannot limit ourselves to removing tariffs and making regulations on European competition.

[Question] A domestic European market can only flourish under the auspices of an economics or currency union. What will come first, the economic union or the currency union?

[Answer] The reasonable thing to do would be to create the economic union first. A nation's currency is the heart of its national sovereignty. That is why the plan for such a union failed in the 1970's--there was no perspective

of a step-by-step development process. What we must now do as a minimum first step is improve the decision-making process within the EC. All other questions will remain open, and the EC heads of government will certainly deal with them at their summit in Milan.

[Question] Mr. Poehl cannot warm up to the idea of the Ecu at all. Is he right in his view that Europe is not yet ready for a European central bank?

[Answer] Of course he is right. That would be putting the cart before the horse. Certain conditions must first be met. Moreover, the Bundesbank has done more than its share regarding the recommendations on joint currency intervention which came out of the economic summit in Versailles. Since the beginning of this year, \$4.8 billion have been made available for intervention in foreign currency markets; that amounts to almost half of all European intervention efforts. The Bundesbank has also approved measures for further expanding the EMS.

[Question] For many of your fellow countrymen that is not yet enough. They think that the Bundesbank is giving the Ecu the cold shoulder.

[Answer] I am not at all dogmatic on this point. I only ask myself what would happen to the exchange of goods within the EC, particularly regarding German exports to the nine other EC nations--a very important source of German growth--without the EMS. Is the growing popularity of the private Ecu a fleeting or lasting phenomenon? If it is a lasting phenomenon, the central banks will have to see to getting the private Ecu into circulation.

[Question] The private Ecu is popular now primarily in the countries with weak currencies. Do you understand the concerns about the Ecu which countries with strong currencies have?

[Answer] Absolutely. That is why I posed the question. I am not answering it. If the large banks and large companies continue to use the Ecu even after the exchange rate of the dollar goes down, then this phenomenon will continue. Another question will then be whether in the future the Ecu, in whatever form, will be able to be a reserve currency which can take some of the pressure off of the dollar and the United States. But these questions are too delicate for one person alone to be able to answer without a thorough analysis. I regret, however, that such a thorough analysis has been refused.

[Question] Are the conditions which the Bundesbank has set for establishing the Ecu too difficult?

[Answer] No, not at all. I share the views of the Bundesbank. It is just that the different conditions also vary in terms of their relative importance. Surely the most important of these conditions is the requirement that the EMS nations which have controls on capital transactions remove them. Something else which would strengthen the EMS would be the addition of the British pound. Whether the Belgians finally discard the practice of doubled exchange rates or whether the range of fluctuation of the lira is narrowed appear to me to be of lesser importance. The commission will submit a formal recommendation to the heads of government in Milan that the controls on capital transactions be removed.



[Question] In view of the so-called European "schlerosis," e.g. slow economic growth and high unemployment, Washington is accusing Europe of lethargy. Are these attacks justified?

[Answer] I do not agree with this analysis at all. In the past ten years Europe has undergone a major adaptation process with considerable increases in productivity. Increases in productivity, however, are always at the expense of employment. We are not the United States; we cannot afford record deficits like the Americans. We are an open community which exports 25 percent of its production. This can only be done by increasing productivity. To label us with European "schlerosis" is unfair and makes me angry. Should we become protectionists?

[Question] Can the 12-member EC compete with the United States and Japan playing by the same rules as the original 6-member EC?

[Answer] All options are currently open. As the president of the commission I must first find the lowest common denominator on which all can agree. The only thing on which there is agreement among the 10 EC heads of state is that there is an institutional problem--our way of reaching decisions is no longer tenable. Two theses then arise: Economic cooperation will eventually lead to political integration--or--we cannot wait another 40 or 50 years to take political steps.

[Question] Isn't it unavoidable that Europe will progress at two different speeds?

[Answer] This is a matter of concern to many, particularly to those who belong to the slower group. I have always talked about a Europe of varying geometric configurations. In other words, must five nations who want to do something jointly in the area of biotechnology wait until all twelve have expressed agreement? Of course not. And this can be done within the EC, not outside of it like Airbus or Ariane for which agencies are then created.

[Question] What is the outlook for political cooperation?

[Answer] The heads of government must answer that question. They must now deal with the important questions--not like in the past where they have discussed the wrong problems in order to avoid the real problems.

12552

CSO: 3620/362

ECONOMIC

CYPRUS

BRIEFS

BALANCE OF TRADE DEFICIT UP---While a slower development of the economy in 1985, and a drop in exports, have apparently been noted, there was an increase in the trade deficit which reached 79.4 million pounds, compared to 72.2 million in the previous year. According to the People's Bank bulletin on economic developments for January-February 1985, the trade deficit showed an almost 10-percent increase, in comparison with 18.3 percent one year ago. According to the same bulletin: First, developments in the first two months of this year seem to indicate that the value of foreign trade in 1985 will increase at a much smaller rate compared to the rapid expansion in 1984. Second, according to the latest data, a positive development appears to be the 1.4-percent decrease in imports--on the level of 118.8 million pounds, from 120.4 million last year--compared to an increase on the order of 22.5 percent in the same period in 1984. Third, this positive development was offset by a drop in total exports to 39.4 million pounds, from 48.2 in the previous year; in other words, a decrease on the order of 18.3 percent was noted, in comparison to the sensational 38.1-percent increase seen in the corresponding period in 1984. This decrease is owing to a drop in both domestic exports and re-exports. Re-exports decreased approximately 30 percent, in comparison to a 60-percent increase a year ago, while domestic exports fell 13.5 percent, compared to a 30-percent increase in the same period in 1984. Fourth, imports fell 8 percent, compared to a 13.4-percent increase in the same two-month period last year. [Text] [Nicosia I SIMERINI in Greek 26 May 85 p 1] 9247

CSO: 3521/274

15 July 1985

ECONOMIC

FINLAND

## FINNISH-BUILT RAILCAR FACILITY IN USSR MAY EASE STOCK SHORTAGE

Helsinki HELSINGIN SANOMAT in Finnish 13 Jun 85 p 29

[Article by Kalle Heiskanen: "Tosno Giving Birth to New Contracts: World's Largest Depot Will Alleviate Railcar Shortage"]

[Text] Leningrad--The building firm Haka is negotiating for the construction of two new depots for the Soviet Union's railways. One of the large depots would be in the vicinity of Moscow and the other in the neighborhood of Leningrad.

Haka's chances of getting the new contracts are improved by Wednesday's dedication of the Tosno railroad depot, which is located a good 50 kilometers from Leningrad. The extensive facility--it cost roughly 300 million marks--was put into operation by Ivan Arkhipov and Kalevi Sorsa, chairmen of the Finnish-Soviet economic commission.

Haka began to construct the facility on a broad swampy tract in December of 1982.

Along the Moscow highway momentarily closed to other traffic, a chain of cars from Leningrad streamed into the dedication ceremonies. Haka had flown invited guests from Finland on a DC-8 airplane for a day's visit. Since they were joined by the economic commission and its entourage assembled in Leningrad, there were several hundred guests at the railcar depot.

The extensive halls are like something out of Keva III. Finnish elevators and hoists move up and down inside the facility.

Haka managing director Eero Piipari said in his speech he believes that the new facility will help the company to obtain similar projects in the transportation field and the foodstuff industry, among others.

According to information circulating in economic commission circles on Wednesday, the chances are very good that Haka, together with Polar and the Central Organization of Meat Producers, will obtain the contract for the meat processing facility in Rakvere, Estonia. The project's value is somewhere between 700 million and 1 billion marks.

At the Tosno dedication ceremonies, Communications Minister Matti Luttinen said he noted with satisfaction that the Soviet Union's railroad establishment has

announced it would seek to eliminate--with the help of the facility--the railcar shortage which has occasionally existed in railway traffic between the countries. Finnish firms which export to the Soviet Union have suffered especially from the lack of railcars. They have had trouble moving their merchandise out of the storehouses.

Luttinen also hoped that the Finns and the Soviets could exploit their common skills in joint projects in third countries.

#### World's Largest

The Tosno center for manufacturing and repairing railroad cars is the world's largest in capacity. Approximately 175,000 closed cars can be handled and repaired in the facility's 260,000 cubic meters of space.

Before the actual construction work was begun, it was necessary to transfer about 300,000 cubic meters of earth in order to strengthen the foundation of 25 square kilometers. At its peak, there were 250 Finnish workers on the job.

12327

CSO: 3617/129

ECONOMIC

FINLAND

# COUNTRY'S FIRM WINS ORDERS FOR LARGE PROJECTS IN USSR

Helsinki HELSINGIN SANOMAT in Finnish 14 Jun 85 p 33

[Article by Kalle Heiskanen: "Arda, Svetogorsk, Kola in 5-Year Program; Sorsa Calmed Fear of Competition"]

[Text] Leningrad--Prime Minister Kalevi Sorsa is easing the concern of Finnish firms about the growing share of other Western companies in the realization of Soviet megaprojects. At a news conference held at the conclusion of the meeting of the Finnish-Soviet economic commission, Sorsa considered the fear and jealousy exaggerated.

Exploitation of the Kola mineral resources was central, as expected, at the news conference of Sorsa and the commission's Soviet chairman, Ivan Arkhipov. The Svetogorsk fourth stage and construction of the Arda cellulose factory were included in the commission's report of the proceedings.

Finnish manpower will launch these two projects, among others, during the new general agreement period which starts early next year.

Sorsa was responding to the concern which had arisen in Finland during the first part of the year that Italian, French and West German firms, among others, were snatching billion-mark Soviet projects out from under the noses of the Finns.

Growth in East-West trade is to Finland's political advantage, too, according to Sorsa. It serves to lead toward a favorable political development, said Sorsa.

According to the prime minister, the Finns did not even have any chances for substantial involvement in those areas in which agreements have been signed. In addition, Sorsa emphasized that the Soviets want Finland to participate in projects in its own areas of strength.

## Kola Bigger Than Kostamus

Exploitation of ores and other minerals on the Kola Peninsula gets under way during the Soviet Union's 5-year period beginning in 1986.

What is at stake, according to Prime Minister Sorsa, is a project that is "without further ado" many times larger than Kostamus. The value of the

Kostamus project is roughly 3.5 billion marks. Sorsa stressed that plans to develop the area are just now beginning to take shape.

Deputy Prime Minister Arkhipov said that Kola presents very great opportunities for cooperation between the countries. Detailed plans have not been formulated yet. Only a decision in principle has been made.

The Finns must find suitable ways to participate, according to Arkhipov. If they are found, we will give preference to the Finns, he said. In addition to the mines and enrichment facilities, there will also be construction of dwellings and provision of services in the area. Arkhipov alluded, however, to possible financing problems by pointing out that if the Finns participate in the financing, then the Finns have good opportunities to be involved in providing these services.

#### Compensation Agreements Advance

Financing the new forms of trade between the countries was also up for consideration during the commission's meeting. The Finns reported that a solution has turned up for the financing--plagued with problems in recent months--of so-called compensation agreements.

The agreements are made on the basis that the Finnish builder receives as compensation the products of the factory [he has built]. In order to bridge the financing gap of the years of construction, the goal is now to see to it that similar products begin flowing into Finland as soon as construction of the factory starts. The share of actual credit would be very small, disclosed Foreign Trade Minister Jermu Laine.

#### Arda Is Also Beginning

In addition to the fourth stage of the Svetogorsk integrated cellulose and paper plant and the viscous cellulose factory located in Arda in the Mari Republic, there are also plans to begin construction work on an integrated meat processing plant in Rakvere, Estonia, and a cardboard box factory in Kondrovo during the next general agreement period of 1986-1990.

Arda is the largest of them in its entirety, although the altogether 7.5 billion mark project may be constructed in several parts, and there is still no definite information about the Finns' total tasks.

Reconstruction of the Hotel Metropol in Moscow and a general renovation of the Hotel Astoria in Leningrad, among other things, were recorded on the report of the proceedings as a new form of collaboration. Well-known to Finns, both hotels will be modernized from cellar to roof. The facade will be preserved as before, however. Restoring the Moscow state circus building is also in the report of the proceedings.

The commission urged clarification of the possibilities for creating chemical industry facilities which use natural gas as a raw material. Neste's Jaakko Ihamuotila, Finnish chairman of the oil-and-gas work group established by the commission, said that what is chiefly at stake for the time being is an ammonia factory for Uusikaupunki.



Key:

- (1) Finland
- (2) Svetogorsk fourth stage
- (3) Collaborative project to be carried out 1986-1990
- (4) Subject of negotiation
- (5) Railroad depot
- (6) Arda cellulose factory
- (7) Rakvere meat processing plant
- (8) Kondrovo parchment factory
- (9) Moscow
- (10) Railroad depot
- (11) Soviet Union

A provisional work group led by Ihamuotila and the Soviet Union's Deputy Foreign Trade Minister N.G. Osipov received the task of clarifying the possibilities for expanding the assortment of Soviet export goods and the problems linked to construction of a Neste factory planned for the Soviet Union.

Very noteworthy, as a matter of principle, was Deputy Prime Minister Arkhipov's assurance at the news conference that the Soviet Union would adhere to the fixed import quotas, even if the price of oil should continue to drop.

Easily more than 70 percent of Soviet exports to Finland are oil and oil products. Since the basis of trade is the bilateral import and export of goods, a \$1 drop per barrel of oil results in hundreds of millions of marks and quickly gives Finland a troublesome trade surplus. It has been difficult to come up with export articles other than energy for Finland.

On Tuesday evening, the commission shifts to Vyborg where, among other things, the cornerstone will be laid for a Johannes factory. The commission returns to Finland on Friday evening.

12327

CSO: 3617/129

ECONOMIC

FINLAND

## SOVIETS HOLD OUT PROSPECTS FOR KOLA MINERAL PROJECTS

Helsinki HELSINGIN SANOMAT in Finnish 12 Jun 85 p 28

[Article by Kalle Heiskanen: "Finns May Gain Access to Kola Mines: Economic Commission Introduced Joint Project Bigger Than Kostamus"]

[Text] Leningrad--The possible participation of Finnish business firms in the exploitation of enormous mineral resources on the Kola Peninsula was a central issue at the meeting of the Finnish-Soviet economic commission held in Leningrad on Tuesday.

The Soviets have hinted for a long time at the expansion of mining activity and industry on the Kola Peninsula. It now appears that the project's pace has quickened in the country's economic plan.

The economic commission received the task of clarifying the various alternatives for cooperation. Earlier this year the Soviets spoke with the Swedes as well about exploitation of the minerals.

It is also possible that Finnish and Swedish firms will jointly get the project off the ground before the year 1990. The project will take years and is bigger than the 3.5 billion mark Kostamus.

The economic commission does not transact deals but rather ponders and prepares new projects to improve trade between the countries. Accordingly, at the presiding officers' meeting which was held under the leadership of Deputy Prime Minister Ivan Arkhipov and Prime Minister Kalevi Sorsa, half a dozen interesting projects were up for consideration, as the prime minister said. However, he did not indicate which projects were taken up at the meeting.

Up for consideration in recent talks between Finns and Soviets have been, above all, the Rakvere meat processing plant in Estonia and the fourth stage of the Svetogorsk forest industry institute. A quick decision is expected on both.

Other possible projects in the near future are an expansion of Kostamus and a forest industry venture at Arda, probably together with some Central European firm. For its part, Imatran Voima [Imatra Power] has long been making preparations in cooperation with the Soviets for the construction of power plants in third countries, etc.



Also brought up were the much-discussed compensation agreements in which a Finnish building firm would receive as compensation the products of a factory to be built in the Soviet Union. One of the projects is Neste. The company proposes a factory that manufactures an added ingredient which offsets the lead in gasoline.

"The meeting is still not finished," commented Neste's managing director, Jaakko Ihamuotila, when he was asked about progress on the project. A.N. Manzhulo, deputy chairman of the commission's Soviet party, pointed out, for his part, the problems which are turning up in the financing arrangements of altogether three compensation agreements.

#### Water and Juice

The commission flew on a special plane to Leningrad on Tuesday morning.

At a "work lunch" served before the official session, the Finnish members were forced to become acquainted firsthand with the country's new alcohol policy. The only beverages were juice and water.

Leaders of the economic commission's various work groups had indeed noticed in recent weeks, while visiting in Moscow, that discipline has tightened. Nearly without exception, the Soviet party had come to the meeting by car.

After the lunch, some of the commission members admitted that they had not been to similar lunches before and justified their taciturnity by the fact that "people do not become very eloquent at these lunches."

#### Transportation Falters

Also on the official meeting's agenda was transportation between the countries, something which many Finnish firms curse. The shortage of railroad cars in particular keeps the merchandise of Finnish firms in storage awaiting eventual release to the Soviet customer.

According to Prime Minister Sorsa, one remedy is the Tosno railroad car depot to be dedicated today, Wednesday, near Leningrad. The Finnish forest industry is ardently awaiting, within the next few years, a new ground transport terminal, which will likewise go up near Leningrad. A new transport terminal is also in the offing for the route which goes from Leningrad to Moscow.

After the Tosno dedication ceremony, the commission will visit some enterprises today, Wednesday. A clearly circumlocutory record of the meeting will be signed on Thursday. Before returning to Finland, the commission will be in Vyborg Thursday evening and Friday.

12327

CS0: 3617/127

ECONOMIC

GREECE

BALANCE OF PAYMENTS: DISAPPOINTING RESULTS

Athens I KATHIMERINI in Greek 14 Jun 85 p 9

[Text] All the balance of payments magnitudes are on a falling trend, except for the deficit and foreign borrowing! The last two are the only magnitudes which are on a rising trend, thus underlining the increasing difficulties faced by the Greek economy in re-establishing its foreign balance--difficulties which, sooner or later, will obligate the government to proceed to those tough measures needed to stabilize the economy, and concerning which the governor of the Bank of Greece, Dim. Khalikias, had warned that, the later they were taken, the more painful it would be.

The further deterioration of the balance of payments in March emerges from the data issued yesterday by the Bank of Greece; according to these data, in the January to March quarter of the last three years, the magnitudes developed, in million dollars, as follows:

	1983	1984	1985
Imports	2254	2565	2494
Exports	<u>794</u>	<u>1168</u>	<u>1002</u>
Trade Balance	<u>-1460</u>	<u>-1397</u>	<u>-1492</u>
Invisible Resources	1064	935	900
Invisible Payments	<u>525</u>	<u>464</u>	<u>478</u>
Balance on Invisibles	<u>539</u>	<u>471</u>	<u>422</u>
Balance on Current Accounts	-921	-926	-1070
Working Capital	<u>989</u>	<u>944</u>	<u>979</u>

As emerges from these data:

1. Imports decreased 2.8 percent, whereas last year they had increased 13.8 percent. But the small increase this year comes totally from fuel imports while in all the other categories, as a result of the extended recession, a drop is noted.

2. Receipts from exports are on a constant decline, which is explained to a degree, of course, by the dollar's rise, but, for the rest, it derives from a real decrease.
3. In the first quarter, receipts from tourism fell 0.9 percent, from shipping, 15 percent, and from emigrant remittances, 10.7 percent.
4. The deficit in the balance on current accounts increased 15.6 percent.
5. Public borrowing from abroad in the first quarter reached 670 million dollars, versus 583 million last year.
6. At the end of March, the exchange reserve was 1,056 million dollars, versus 954 million at the same time last year.

9247

CSO: 3521/273

ECONOMIC

GREECE

STATISTICS SHOW INCREASE IN WORKERS' WAGES

Wages Increase

Athens I KATHIMERINI in Greek 18 May 85 p 3

According to data of the statistical service, there was an increase of 24.1 percent in the monthly remuneration of employees during 1984 and an increase of 26.3 percent in the hourly wages of the workers as compared to the average remuneration in 1983. In essence, the average monthly salaries of employees (men and women) employed in industry and in cottage industry in 1984 reached 63,394 drachmai, while the average hourly wage of workers (men and women) rose to 262.2 drachmai. Specifically, the data of the research related to the income of the salaried employees in industry and in cottage industry during the years 1984 and 1983 are as follows:

Average Yearly Terms in Drachmai

<u>Monthly Salaries</u>	<u>1984</u>	<u>1983</u>	<u>Percentage Change 1984/1983</u>
Employees	63,394	51,073	24.1
Men	69,196	55,925	23.7
Women	42,270	33,570	25.9
Hourly wages of workers	262.2	207.6	26.3
Men	292.6	233.1	25.5
Women	222.9	174.0	28.1
Daily wages of workers	1,785	1,421	25.6
Men	2,006	1,609	24.7
Women	1,503	1,179	27.5

Wage Indexation

Athens TO VIMA in Greek 11 May 85 p 1

As of 1 May the workers will receive an automatic cost-of-living adjustment (ATA) of 6.6 percent. The measure was signed by the minister of National Economy, Mr. Arsenis, and this percentage represents the index increase during the first 4-month period of 1985. During the period January-April, the cost-of-living increase was 6.6 percent as compared to 7 percent during the same period in 1984. Specifically, in April the cost-of-living increased by 1.6 as compared to 1.9 last year. [Text] [Athens TO VIMA in Greek 11 May 85 p 1] 9731

CSO: 3521/255

ENERGY

GREECE

# ENERGY CONSUMPTION ROSE IN 1984

Athens TO VIMA in Greek 17 May 85 p 17

[Text] Primary energy, equivalent to 17.6 million tons of petroleum, was consumed in the country during 1984, showing an increase of 4.9 percent as compared to 1983. These data demonstrate the continuation of the increment tendency of energy consumption that began in 1983, showing a rise of 3.5 percent as compared to 1982, after a 3-year period of stagnation.

Minister of Energy El. Veryvakis made reference to these data yesterday when he indicated the trend of the balance of energy during 1984. Analyzing the results of the data (they involve temporary data which do not appear to show any deviations from the final ones) of the energy balance, Mr. Veryvakis stated, among other things that:

The rising trend in energy consumption parallels the upturn of the Greek economy, which is indicated by the increase in the AEP [Gross National Product] of 2.8 percent in 1984 and by 3.1 percent in the industrial production.

The availability of hydrocarbons (petroleum, natural gas) increased by only 2.1 percent in 1984. The substitution of petroleum in the energy balance continues mainly with solid fuels (domestic lignite and imported coal).

The consumption of energy in industry rose by 4.2 percent in 1984.

The increase of energy consumption rose in the residential sector (6.4 percent in 1984) and in transportation (4.9 percent in 1984).

The rise in domestic production of primary energy continued at the same rate, that is, by 10 percent as shown every year since 1979. The domestic production of primary energy is now equivalent to 36.6 percent of our needs as compared to 35.1 percent for 1983 and 25.1 percent for 1979.

In 1984 the production of lignite increased by 8 percent as compared to 1984; the production of petroleum by 6.5 percent and hydroelectric production by 23.3 percent.

The import of electricity, however, showed an increase of 3.8 percent in 1984 as compared to 1983.

ENERGY

NORWAY

# COUNTRY LAGGING BEHIND FELLOW NORDICS IN ENERGY CONSERVATION

Oslo AFTENPOSTEN in Norwegian 11 Jun 85 p 57

[Article by Georg Parmann]

[Text] It will take Norway longer than the other Nordic countries to realize its energy conservation potential. There are several reasons for this but one obvious one is that Norway has invested less on the national level in energy conservation than the other Nordic countries. This can be seen from investments in research, information activity and especially the loans and subsidies for concrete energy conservation measures. This appears from a report prepared for the Nordic Council of Ministers by the Group for Resource Studies.

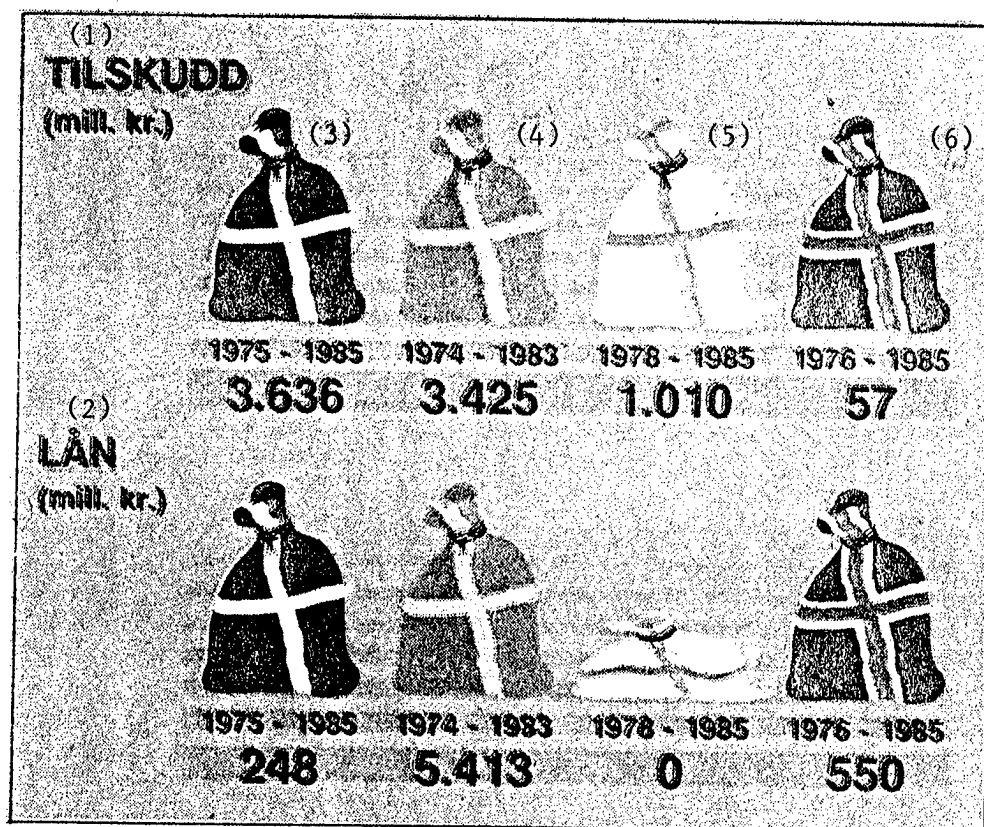
On Tuesday researcher Hilde Jervan of the Group for Resource Studies (GRS) will present the evaluation GRS made of experiences with energy conservation policies in the Nordic countries in the period from 1973 to 1984.

"On the basis of the material we collected we feel it is clear that state authorities have been much more strongly involved in energy conservation in the other Nordic countries than they have been in Norway. We have argued that we have good cheap energy sources. Instead of trying to change people's attitudes through state involvement we have said that market forces should act as an important incentive in the area of energy conservation," Hilde Jervan told AFTENPOSTEN.

One result of this "halfhearted" emphasis on energy conservation in Norway is that it has not paid off to the extent it has in the other Nordic countries, as one can see in the housing sector, among other things. While Denmark, Sweden and Finland have had declines in energy consumption starting around 1975, Norway was the only Nordic country to have a marked increase in the same period. But individual factors color this picture; among other things Norway had a lower heating comfort level than the other countries in the early 1970's, Jervan said.

It was the oil crisis in 1973 that put energy conservation on the agenda. Energy conservation policy was given a legitimate status. But because of Norway's especially favorable energy situation there was not the same basis

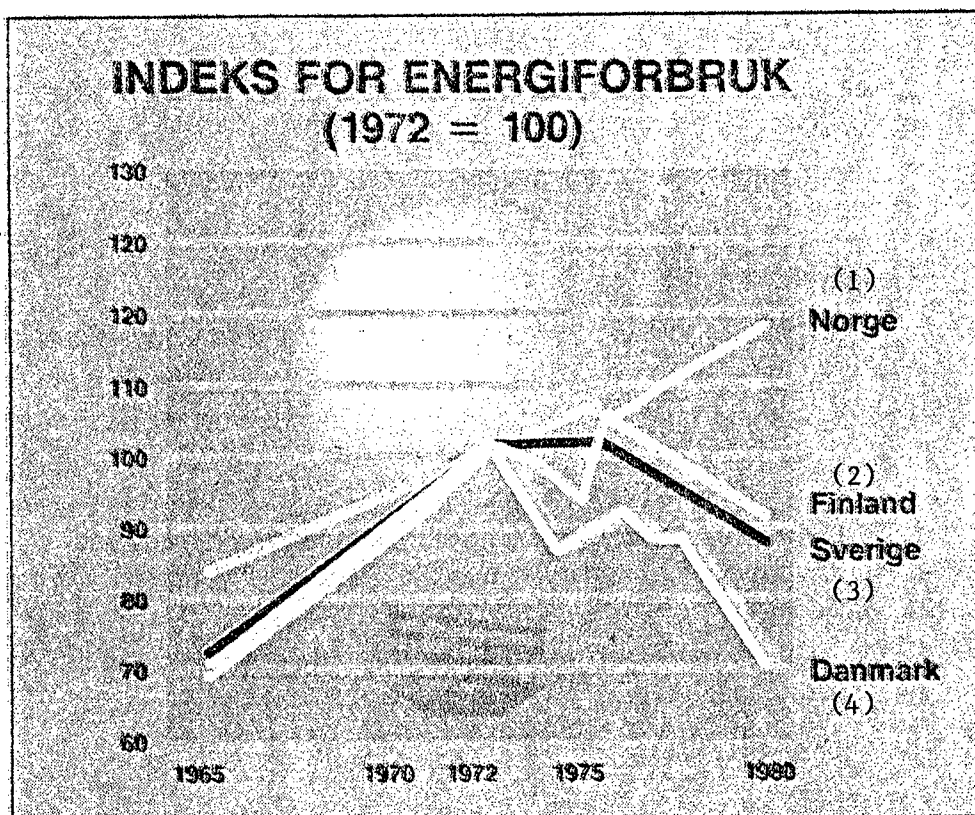
for pursuing an energy conservation policy here. Energy conservation has not had the same impact here that it has had in other countries. An important effect of state involvement in energy conservation is that it has created public awareness of conservation. State involvement is interpreted by most people as meaning that energy conservation is an important political matter. This is an important factor in getting the process of energy conservation started and it has been partially absent in Norway.



There have been big differences among the Nordic countries when it comes to loans and subsidies for remodeling homes, other buildings and industrial processes to conserve energy. The diagram shows that Norway has spent very little in public subsidies compared to the other countries while it has spent more on loans for energy conservation measures. All figures are shown in millions of Norwegian kroner and are based on estimates made by the Group for Resource Studies.

Key:

- |                          |            |
|--------------------------|------------|
| 1. Subsidies in millions | 4. Sweden  |
| 2. Loans in millions     | 5. Finland |
| 3. Denmark               | 6. Norway  |



Energy Consumption Index

Norway has not invested in energy conservation to the same extent as the other Nordic countries. One of the results is that energy consumption in the housing sector has continued to climb since 1972, while Sweden, Denmark and Finland had consumption declines in this sector. Norway puts less emphasis on information, research and especially subsidies for energy conservation than the other Nordic countries. Therefore it will also take longer to realize the country's potential in the area of energy conservation.

Key:

- |            |            |
|------------|------------|
| 1. Norway  | 3. Sweden  |
| 2. Finland | 4. Denmark |

It is important in the initial phase to plan a policy to change attitudes and behavior, by providing information aimed at influencing consumers, among other things. Phase two in energy conservation policy concentrates on remodeling or using new technology in existing buildings, production equipment, etc. In this phase it is important to resort to things like advisory services and economic aid. The third phase involves using new technology



that conserves energy in new buildings. The fourth phase is a policy for new technological development. This is vital for a positive development of future energy consumption, Jervan said.

All the Nordic countries are now in the fourth phase, but in contrast to Denmark, Sweden and Finland, Norway has not gone through the first three phases in energy conservation policy to the same extent. Thus the impetus for the process which can provide a basis for lasting changes in behavior has been much weaker in Norway than in the other countries. This means that Norway does not have a corresponding basis for a policy in which energy principles work alone as a stimulus to energy conservation. For this reason it will take longer to realize the energy conservation potential in Norway than in the other Nordic countries, according to Jervan.

6578

CSO: 3639/121

END